

Indiana State Board of Accounts

Funds: Sources & Uses

Indiana League of Municipal Clerks & Treasurers Annual Conference
Michigan City
June 2022

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Uses of Certain Funds



- **Motor Vehicle Highway (MVH & MVH Restricted)**
- **Local Road & Street (LRS)**
- **Cumulative Capital Improvement (CCI)**
- **Rainy Day**
- **Riverboat**
- **Public Safety**

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Motor Vehicle Highway (MVH)



- **Authorized under IC 8-14-1**
 - **Primary purpose – account for state motor vehicle highway distributions**

- **Specific Uses in IC 8-14-1-5**
 - **Principally used for construction and maintenance of streets and alleys**
construction, reconstruction, repair, maintenance, oiling, sprinkling, snow removal, weed and tree cutting and cleaning of highways



Motor Vehicle Highway (MVH)



Uses of MVH include:

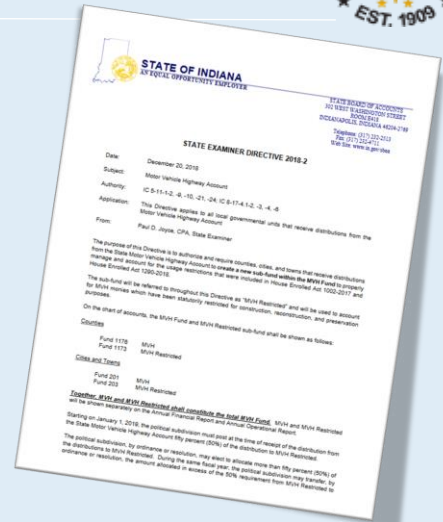
- ✓ **Curbs**
- ✓ **Unit's share of cost of separation of grades railroad crossings**
- ✓ **Purchase/lease of highway construction & maintenance equipment**
- ✓ **Traffic signs and signals**
- ✓ **Safety zones and devices**
- ✓ **Painting of structures, objects, surfaces in highways for purposes of safety and traffic regulation**

MVH Restricted (Sub-fund)



- **IC 8-14-1-5(c)**
- **Created by State Examiner Directive 2018-2**
- **Fund 2203 on your ledgers**
- **Is a sub-fund of MVH**
- **www.in.gov/sboa/4488.htm**

[Directive 2018-2, Motor Vehicle Highway Account](#)



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MVH Restricted (Sub-fund)



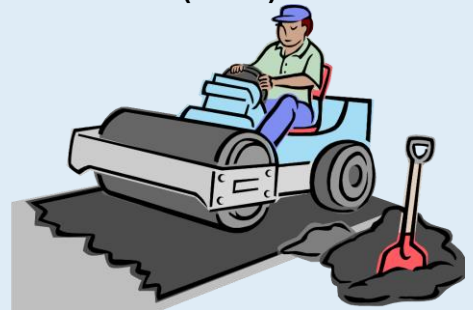
Source of Funds: MVH distributions from the State MVH Account

- *(does not include local tax levy if you have one)*

“At least” 50% of State MVH distributions into MVH Restricted (#2203)

Used for:

- ✓ Construction
- ✓ Reconstruction
- ✓ Preservation



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MVH Restricted (Sub-fund)

**Source of Funds: MVH distributions from the State MVH Account**

- *(does not include local tax levy if you have one)*

“At least” 50% of State MVH distributions into MVH Restricted (#2203)

Used for:

- ✓ Construction
- ✓ Reconstruction
- ✓ Preservation

Can't be used for:

- ✓ Snow removal



Local Roads & Streets (LRS)



- **Authorized under IC 8-14-2**

- **Primary purpose – account for state gasoline tax distributions**

- **Specific Uses in IC 8-14-2-5**

- 1. Engineering, land acquisition, construction, resurfacing, maintenance, restoration, or rehabilitation of both local and arterial road & street systems**
- 2. Payment of principal & interest on bonds sold to finance road projects**
- 3. Local costs required to undertake a recreational or reservoir road project**
- 4. Purchase, rental, or repair of highway equipment**

Cumulative Capital Improvement



- **Authorized under IC 6-7-1**
 - **Primary purpose – account for state cigarette tax distributions**
- **Specific Uses in IC 6-7-1-31.1**
 - **Principally used for capital improvement – several uses detailed in this statute**
 - **Most notably 6-7-1-31-1(a)(9) – “for any other governmental purpose for which money is appropriated by the fiscal body of the city or town.”**
 - **IC 6-7-1-31.1(c) – can be transferred at any time by ordinance or resolution to General**

Rainy Day



- **Authorized under IC 36-1-8-5 and IC 36-1-8-5.1**
 - **Primary purpose – account for transfers of unused and unencumbered funds**
 - **Amount transferred may not exceed 15% of annual budget for that fiscal year**
 - *(through 12/31/24; then 10% going forward)*
 - **Fund created by ordinance in cities and towns**
- **Specific Sources and Uses**
 - **The ordinance creating the Rainy Day fund should specifically state the source of receipts to the fund, and**
 - **Specifically state what the fund can be used for**



Riverboat



- **Authorized under IC 36-1-8-9**
 - **Primary purpose – account for tax revenue received under**
 - **IC 4-33-12-6 – Riverboat admission taxes**
 - **IC 4-33-13 – Wagering taxes**
- **Specific Uses**
 - *“Money in the fund may be used for any legal . . . purpose of the unit.”*



Law Enforcement Continuing Education



- **Authorized under IC 5-2-8-2**
 - **Primary purpose – account for revenue from the following sources:**
 - **Law Enforcement Continuing Ed fees – IC 33-37-5-8**
 - **Inspection of Motor Vehicles – IC 9-17-2-12**
 - **Accident Report fees – IC 9-26-9-3**
 - **Proceeds from sale of confiscated weapons – IC 35-47-3-2**
 - **ICJI distributions for gun permit fees (ICJI memo 2/17/22)**
- **Specific Uses**
 - **For training law enforcement officers employed by a city/town and for equipment and supplies for law enforcement purposes. [IC 5-2-8-6]**

Public Safety



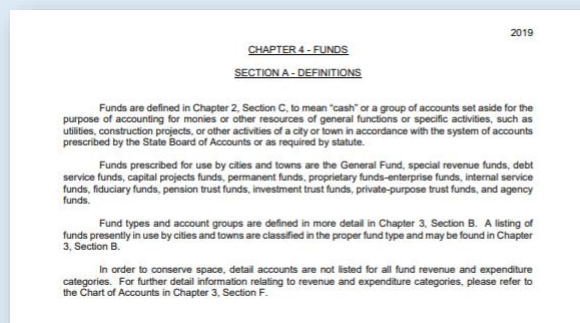
- **Authorized under IC 6-3.6-6; 6-3.6-7; 6-3.6-9; 6-3.6-11**
 - **Primary purpose – account for additional tax rate imposed for public safety adopted by county’s adopting body.**
- **Specific Uses**
 - **For “Public Safety” as defined in IC 6-3.6-2-14:**
 - (1) A police and law enforcement system to preserve public peace and order.
 - (2) A firefighting and fire prevention system.
 - (3) Emergency ambulance services (as defined in [IC 16-18-2-107](#)).
 - (4) Emergency medical services (as defined in [IC 16-18-2-110](#)).
 - (5) Emergency action (as defined in [IC 13-11-2-65](#)).
 - ...
 - (13) Pension payments for police and fire
 - (14) Law enforcement training.

References



Accounting and Uniform Compliance Guidelines for Cities and Towns, **Chapter 4**

www.in.gov/sboa/files/CHAPTER%204.pdf



Questions



www.clipartmax.com/download/m2H7H7m2N4H7G6_emoji-with-question-mark/