

YEAR-END CONSIDERATIONS



State Board of Accounts School
ILMCT Annual Conference
November 8, 2021



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What's On Tap



- ✓ **Salary Ordinances**
- ✓ **Appropriations**
- ✓ **Encumbrances**
- ✓ **Payroll**
- ✓ **Cancellation of Warrants**
- ✓ **Names & Addresses to County Treasurer**
- ✓ **Fire Protection Contracts**
- ✓ **Internal Controls**
- ✓ **Annual Certifications – Nepotism & Contracting**
- ✓ **Miscellaneous**



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Salary Ordinances

Cities – November 1, 2021

Towns – SBOA recommends by December 31, 2021

Considerations:

- Number of pays in 2022
- Has enough been appropriated
- Bonuses
- Longevity
- Benefits (leave, insurance, HSA's, deferred comp)



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Appropriations

Budget Field Representative County Assignments



Check for line items that are overspent

- Transfer from other line items if necessary
- From one major classification to another; council approval by ordinance or resolution [IC 6-1.1-18-6]


Need an additional??

- There still may be time
 - <https://gateway.ifionline.org/AdditionalAppropriations/SelectUnit.aspx>
- Contact DLGF if you have questions
 - www.in.gov/dlgf/files/Budget_Field_Reps.pdf



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Encumbrances

Unpaid approved purchase orders & contracts


- Can be encumbered – or carried forward – to 2022
- Show as separate amount on 2022 appropriation ledger
- You’ll have the amount approved for a line item as one amount + the amount encumbered for that line item, which will equal what you can spend in 2022.

	2022 Encumbered	2022 Approved Budget	New Total
General Fund			
Other Services and Charges			
Legal Services	\$ 7,250.00	\$25,000.00	\$ 32,250.00

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Encumbrances

By carrying out this procedure, the 2022 budget will not be expected to incur any expense not anticipated in preparing the budget

We recommend making a list of encumbered appropriations

- List part of meeting minutes
- Not 'required' to be approved by council, but wouldn't hurt
- Last meeting of the year
- Have copy ready if DLGF requests it

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Encumbrances



The appropriations encumbered and carried forward can be used for no other purpose other than the purchase order or contract for which they were appropriated.



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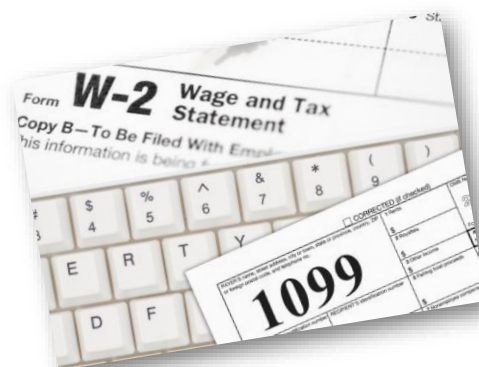
Payroll

Reporting

- W-2s
- 1099s
- Plan ahead

Contact IRS with Questions

- www.irs.gov



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Cancellation of Warrants

Indiana Code 5-11-10.5: Cancellation of Warrants

Old Outstanding Checks

- All checks outstanding and unpaid for a period 2 years as of December 31 of each year shall be declared cancelled.

Example – At December 31, 2021;

- Check #1234 was written on February 27, 2019 and has not cleared the bank and is on the outstanding check list. At 12/31/21, it would be considered “void”.
- Check #9876 was written on November 2, 2020 and has not cleared the bank and is on the outstanding check list. At 12/31/21, this check would *not* be considered “cancelled” and should remain on the outstanding check list.



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Cancellation of Warrants

Indiana Code 5-11-10.5: Cancellation of Warrants

- March 1 – fiscal officer prepares list of all outstanding checks for 2 years or more
- File list of checks with council
- Fiscal officer keeps a copy



“Old” (or stale) checks are receipted back to your ledger into the fund(s) from which they were originally drawn and removed from the outstanding check list. If fund(s) can’t be determined – put in General fund.



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Names & Addresses to County Treasurer

IC 6-1.1-22-14

- June 1 & December 1
- Disbursing officer shall certify
 - ✓ name
 - ✓ address
 of each person who has money due to them from the city/town.
- County Treasurer shall search their records to ascertain if anyone on the list is delinquent in payment of property taxes



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Names & Addresses to County Treasurer

IC 6-1.1-22-15 –

If the county treasurer finds that a person whose name is certified is delinquent in the payment of taxes, the treasurer shall certify the name of that person and the amount of delinquency to the official of the political subdivision who is to make payment to the person.

The disbursing officer shall periodically make deductions from money due the person and shall pay the amount of these deductions to the county treasurer. (*our emphasis*).



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Fire Protection Contracts

Year-end good time to review contract

- If changes are necessary, consult attorney

IC 36-8-12-4.5 requires

- Contract be in writing
- Contract be for a fixed term



Contract must provide for:

- Amount for fire protection services
- Consideration to include insurance premiums, clothing, car, and other allowances [IC 36-8-12-5 & 36-8-12-6]



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Internal Controls

Indiana Code 5-11-1-27(g)

- "After June 30, 2016, the legislative body of a political subdivision shall ensure that:
 - 1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
 - 2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."



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Internal Controls

Indiana Code 5-11-1-27(c) defines "personnel":

"As used in this section, "personnel" means an officer or employee of a political subdivision whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to funds that belong to the federal government, state government, a political subdivision, or another governmental entity."



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Internal Controls

Things to remember:

- ✓ Council should adopt minimum standards - if they haven't already
- ✓ Training for any new employees in 2021
- ✓ Certify on the AFR in Gateway correctly




www.annreading.com/2016/09/16/video-how-to-remember-what-you-read/



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Internal Controls

AFR Unit Questions ?

The following must be filed with the Annual Report per IC 5-11-1-27 (h).	
I certify that my unit has adopted the minimum internal control standards as required per IC 5-11-1-27(e).	<input checked="" type="radio"/> Yes <input type="radio"/> No
If yes, I certify that all personnel defined by IC 5-11-1-27(c) received training concerning the internal control standards adopted by my unit.	<input checked="" type="radio"/> Yes <input type="radio"/> No


Make sure you answer these questions correctly





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Nepotism Annual Certification

Indiana Code 36-1-20.2-16:

“Each elected officer of the unit shall annually certify *in writing*, subject to the penalties for perjury, that the officer has not violated this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year.” *[emphasis added]*



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Contracting with a Unit Annual Certification

Indiana Code 36-1-21-6:

“Each elected officer of the unit shall annually certify *in writing*, subject to the penalties for perjury, that the officer is in compliance with this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year.” *[emphasis added]*



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Miscellaneous

Bank Reconciliations
 Monthly / Annual Uploads
 Financial Assistance to Non-governmental Entities
 Debt Payments
 Capital Assets
 Accounts Receivable / Payable



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Contact Info

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ANY QUESTIONS?




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