

The background features a large, faint watermark of the Seal of the State Board of Accountants of Indiana. The seal is circular, with the words "STATE BOARD OF ACCOUNTANTS" around the perimeter and "INDIANA" at the top. It contains a central figure of a person holding a scale and a sword, surrounded by stars.

Fire Protection

**Jonathan Wineinger,
GTAC Director**

Contact Information



- Website – <https://www.in.gov/sboa/4445.htm>
- Phone – (317) 232-2512
- Email – Schools.Townships@sboa.in.gov

Ind. Code § 36-8-13-2



- “If a majority of the owners of taxable real property residing within . . . a township located outside the corporate boundaries of a municipality petition the township executive and legislative body to provide fire protection . . . , the executive and legislative body shall . . . provide for fire protection.”



Authorized Methods of Providing Fire Protection



- IC 36-8-13-3
- The trustee, with the approval of the township board may:
 - (1) Purchase firefighting and emergency services apparatus and equipment for the township, provide for the housing, care, maintenance, operation, and use of the apparatus and equipment to provide services within the township but outside the corporate boundaries of municipalities, and employ full-time or part-time personnel to operate the apparatus and equipment and to provide services in that area.

Authorized Methods of Providing Fire Protection



(2) Contract with a municipality in the township or in a contiguous township that maintains adequate firefighting or emergency services apparatus and equipment to provide fire protection or emergency services for the township in accordance with IC 36-1-7.

(3) Cooperate with a municipality in the township or in a contiguous township in the purchase, maintenance, and upkeep of firefighting or emergency services apparatus and equipment for use in the municipality and township in accordance with IC 36-1-7.

Authorized Methods of Providing Fire Protection



(4) Contract with a volunteer fire department that has been organized to fight fires in the township for the use and operation of firefighting apparatus and equipment that has been purchased by the township in order to save the private and public property of the township from destruction by fire, including use of the apparatus and equipment in an adjoining township by the department if the department has made a contract with the executive of the adjoining township for the furnishing of firefighting service within the township.

(5) Contract with a volunteer fire department that maintains adequate firefighting service in accordance with IC 36-8-12.



- Section 3

- A township may enter into an agreement with one or more volunteer fire departments that maintain adequate firefighting services

- Section 4

- The contract between the Township and a volunteer fire department must provide that the unit pay any amount of money that is negotiated between them. The amount of the contract must include the required insurance premiums, clothing, automobile, and any other allowances

IC 36-8-12
(continued)



- Section 5

- Clothing Allowance must be at least \$100 per year
- Automobile Allowance must be at least \$100 per year
- Contract may include fees for membership in a regularly organized volunteer firefighters' association

- Section 6

- Each Township shall procure insurance on behalf of the volunteer firefighters. Contract can stipulate that VFD will procure insurance, but the Township must pay the cost. If a township fails to procure insurance, then the Township is liable for the actual expense for a loss event to a firefighter.

Insurance

- A township having a regularly organized fire department employing full-time firefighters **may provide insurance** for loss of life, dismemberment, or supplemental income protection due to injury during the course of employment.
- A township **must pay for the care of full-time, paid firefighters** who suffers injury or illness during the performance of the firefighter's duties. This includes medical and surgical care; medicines and laboratory; x-ray, diagnostic, and therapeutic service; and hospital and special nursing care.



Firefighters – Employees?



- **Township Firefighters would be considered employees.**
 - Payroll taxes withheld (Federal Income and FICA).
- Payments made to Volunteer Firefighters –
 - **Accountable Plan – 1099 issued** - if receives “clothing allowance”, need to have documentation that they purchased clothes equal to or exceeding the allowance
 - **Non-Accountable Plan – withhold taxes, W2 issued** - if a firefighter receives a “clothing allowance”, and no documentation kept

Common Contract Provisions



- **Definition of service area/territory**
- **Scope of service**
 - What services provided?
 - Days and hours of service?
 - Adequately trained personnel?
- **Terms**
 - Beginning and end dates?
 - Contracts beyond a year?
- **Who maintains control of information** (i.e. number of runs)
- **Compensation amount**



Common Contract Provisions (Continued)



- Vehicle and clothing allowance
 - For Volunteer Fire Departments (VFD), the township pays unless the contract says otherwise.
 - “Shall pay” \$100 clothing and \$100 automobile allowance per year.
 - **If the firefighters do not want to accept this** – Have them sign something saying they are refusing these allowances. **Keep for audit.**
- Specific insurance provisions for VFDs - IC 36-8-12
 - **Shall pay** out of the Township fund \$X premium for medical, accidental injury, smoke inhalation, cardiac disease, disability, and death coverage
 - Such premium payment includes all of the unit’s liability for volunteer firefighters’ medical treatment, accident, injury, or death.

When Things Go Wrong



- Liability limited?
- Early termination clause?
- Indemnity clause?
- Who owns the Fire Equipment/Vehicles?

Upload to Gateway



- IC 5-14-3.8-3.5
- Shall upload contracts exceeding \$50,000 not later than 60 days after the contract is executed
- May redact or obscure signatures on a contract
- Political subdivision is solely responsible for redacting information in the contract



Welcome to the Indiana Gateway for Government Units

As an authorized user, you will have at least one application to use. Each of these applications enables a local unit to submit its required forms, reports or files to the appropriate state agency. Agencies currently include **Department of Local Government Finance**, **State Board of Accounts**, **Indiana Education Employment Relations Board** and **Indiana Gaming Commission**.

Select Application

Department of Local Government Finance (DLGF)	Deadline
Additional Appropriations	Details
Abstract	Details
Assessor Reports	Jan 15
Budgets	Details
Data Entry for CNAV and Form 22	Details
Debt Management	Details
Economic Development Reporting	Sep 30
File Transmission	Details
Other Post-Employment Benefits	Mar 1

State Board of Accounts (SBOA)	Deadline
100R	Jan 31
Annual Financial Report	Details
Monthly and Annual Engagement Uploads	Details
Conflict of Interest Disclosure	15 days after final action on the contract or purchase
E-1 Entity Annual Report	60 days after entity's fiscal year ends
ECA Risk Report	Aug 29

Funding



- IC 36-8-13-4 states: “Each township shall annually establish a township firefighting fund which is to be used by the township for the payment of costs attributable to providing fire protection or emergency services...”
- IC 36-8-14-2 states: “The legislative body of a unit... may provide a cumulative building equipment fund...for the following purposes...”
 - Purchase, construction, renovation, addition to **buildings** or **land**
 - Purchase of **Equipment**
 - For use of **fire department** or **emergency medical services** provider.

Funding (Continued)



- The executive **may accept donations** for the purpose of firefighting and other emergency services.
- The township **may impose a fee or service charge** upon the owner of property due to an alarm caused by improper installation or maintenance, or a drill or test in which the fire department was not previously notified.



Local Income Tax (LIT) - Accounting



- LIT must be deposited into the Township fund.
 - Memo detailing SBOA audit position.
- We are aware townships have used LIT to fund fire protection services.
- We will not take exception to any township expense **from the Township fund** if properly budgeted, including fire protection expenses.

Purchasing Equipment



- IC 36-8-13-5 May purchase fire fighting equipment if
 - Sufficient **appropriation** is available
 - **Approval** of the legislative body
 - Contract no more than **six years**
 - Unless the township has a total assessed value of \$60,000,000 or less and is purchasing the firefighting equipment with funding from the state or federal government, then fifteen years.
- The township **may also borrow** the necessary funds from a financial institution in Indiana.
 - Then the township shall appropriate and levy a tax each year sufficient to pay the obligation.

Procurement



- Uniform Guidance

- Micro purchase threshold
- Requirement for Quotes
- Requirement for Bid Process

Federal \$ amount

- less than \$10,000
- \$10,000 - \$250,000
- over \$250,000

State \$ amount

- less than \$50,000
- \$50,000 - \$150,000
- over \$150,000

- IC 5-22 – State Purchasing Requirements

Requirements for Bid Process



- IC 5-22-7
 - Invitation for bid must include:
 - A purchase description
 - All contractual terms and conditions that apply to the purchase
 - A statement of the evaluation criteria that will be used
 - Time and place for opening the bids
 - Statement concerning whether the bid must be accompanied by a certified check or other evidence of financial responsibility
 - Statement concerning the conditions under which a bid may be canceled or rejected in whole or in part as specified under IC 5-22-18-2

Advertising for Bids



- IC 5-22-7-5
 - Notice of invitation for bids shall be given as required by IC 5-3-1
- IC 5-3-1-2(e)
 - Notice shall be published 2 times at least 1 week apart
 - The second publication must be made at least 7 days before the date the bids will be received

Opening of Bids and Awarding of Contract



- IC 5-22-7-6
 - Bids shall be opened publicly with at least one witness present at the time and place designated in the invitation for bids
- IC 5-22-7-8
 - Contract must be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder

Purchasing Cooperatives



- Purchases from cooperatives still require competitive bidding (as required in IC 5-22) as if they had been acquired by Townships themselves
- Purchasing cooperatives take care of the bidding, obtaining quotes, and securing contracts for their members.
- There are two co-ops that I have specifically received questions about – Sourcewell (in Minnesota) and Houston-Galveston Area Council (HGAC, in Texas). Both were established under the laws of their respective states. Both co-ops have indicated to their members making a purchase through the co-op complies with Indiana laws (without little support as to how they came to that determination).

Purchasing Cooperatives (Continued)



- The SBoA is not familiar with the laws of other states, including Minnesota and Texas, and we have no way to determine if the laws of the other states were complied with. You will need to determine if Indiana's purchasing laws were followed. When we've received similar questions from townships, we've instructed them to obtain a written legal opinion from their attorney that the purchase(s) complied with all Indiana laws.
- During an audit of a Township, we will review all the associated supporting documentation and request the unit provide a written legal opinion from their attorney that the purchase complied with Indiana law.

Fee for Service vs Financial Assistance
Why do I care?



- ***What do I report in Gateway?***

Only Financial Assistance!

Fee for service may be reported if you unsure about the classification. We can review and correct if needed.

Where to Report in Gateway?



- Navigate to <https://gateway.ifionline.org/>
- Annual Financial Report (AFR) menu
 - Financial Assistance to Non-Governmental Entities

AFR Unit Questions

Please answer all of the questions below by clicking Yes or No as appropriate. Please make sure you answer the questions correctly as they will determine the information required for you to complete your annual report.

1. Has your unit received or disbursed any Federal money from grants?

The amount of Federal funding that is received or disbursed during the year affects the type of engagement that you are required to have performed by the State Board of Accounts as well as the format and content of the Financial Statements. Federal grants can come to you in different forms including: direct grants from Federal agencies; Amounts passed through from the State; Loan and Loan guarantee programs; Receipt of Donated property; Food commodities; Interest subsidies; Insurance; Endowments; and Program income. Click below for more information on grants. [Additional Information](#)

Yes No

2. Did your unit disburse money for financial assistance to non-governmental entities?

Examples include Volunteer Fire Departments, 4H, YMCA, Youth Leagues, Senior Citizen Centers, etc. Do not consider amounts you paid for goods or services in answering this question.

Yes No

3. Does your unit have any Utilities or other Enterprises?

IMPORTANT: Click on 'Save All Work' to save changes before leaving data entry pages. Also, avoid using double quotes.

Financial Assistance to Non Governmental Entities ?

Save All Work

Return to AFR Main M

Enter information on financial assistance your unit has given to non governmental entities during the year. Examples include Volunteer Fire Departments, YMCA, Youth Leagues, Senior Citizen Centers, etc. Do not consider amounts you paid vendors for goods or services in answering this question. For further clarification, see the below this entry grid.

Make sure to press the ENTER key on the keyboard after entering a number to make sure it is saved!

Add R

Delete	Name	Federal Tax ID ##-####	Street Address	Suite No.	City	State Abr.	County	Operatin Name
X	Name 1	12-3456789	123 Street	A	Indy	IN	Marion Co., IN	Don't Kn
X	Name 2	09-9876543	321 Street	B	North Pole	AL	Out of State	Santa

Financial Assistance – Additional Characteristics



- Amount paid provides a service to the public on behalf of the Township
- Service provided often not easily measured
- Relationship between Township and entity more like a partnership or joint venture with shared purpose rather than vendor/vendee relationship
- Each party heavily dependent on the other for success and continuation of program or objective

Fee for Service vs Financial Assistance



Fee for Service

- Amount paid is predetermined **per unit of service** performed
- **Claims** for payment **submitted after service performed** with units of service provided documented
- Total **amount paid** in contract period **not subject to adjustment if actual cost of providing service is different** from agreed upon price

Financial Assistance

- Claims for **payments are scheduled as to when provided** – monthly, quarterly, etc. or assistance is provided in advance potentially with additional reporting requirements
- Total **amount paid** in contract period **can vary** subject to any maximums stipulated or other funding mechanisms agreed upon

Required IRS forms for Vendor Payments



- **Form W-9 Request for Taxpayer Identification Number and Certification**
 - Required for reportable payments of \$600.
 - Payee certifies that they are not subject to backup withholdings (24%).
 - Provides information needed to prepare Form 1099-Misc.

- **Form 1099 Miscellaneous Income**
 - Required for payments exceeding \$600 to sole proprietors and partnerships.
 - Common payments include rent (box 1) and services performed by nonemployees (box 7). All attorney fees.
 - Provide to vendor and the IRS by January 31st.

Employer Identification Number (EIN)



- Do not let other entities use the Township's EIN!
- They should have their own EIN and should be registered with the IRS and Indiana Secretary of State's office.

Fire Protection Territories vs. Fire Districts



- Fire Protection Territories – IC 36-8-19
 - **Not a separate government unit** – Agreement with other units.
 - Requires township resolution, public hearings, and adequate notice.
 - **DLGF approval** – many turned down for failure to follow procedures:
 - Large amount of information required for resolution and notice, including financial analysis such as proposed levies and tax rates, uniformity, and estimated future impact on other units and taxes)
- Fire Protection Districts – IC 36-8-11
 - **Separate unit of government** - audited separately.
 - Established by: 1. County Legislative body or 2. Group of freeholders filing a petition
- SBOA Special Districts Directors
 - SpecialDistricts@sboa.in.gov

Procured Audit Services



- IC 5-11-1-4 requires annual financial reports from **entities**
- IC 5-11-1-9 defines “entities” and **requires audits** if the disbursement level of public funds **meet statutory thresholds**
- Thresholds requiring an audit: **\$750,000 of governmental funds** disbursed **AND 50% of entity’s total disbursements being government funds.**
- For-profit corporations
- Not-for-profit corporations
- Unincorporated:
 - Associations
 - Organizations
 - Individuals

Procured Audit Services - Responsibilities



- IC 5-11-1-7 allows the State Examiner to authorize or designate an independent public accountant to perform the examination/audit that is the responsibility of the State Board of Accounts

- Currently Independent Public Accountants perform audits for the following:
 - Housing authorities
 - Military reuse authorities
 - Certain Quasi Agencies
 - Non-governmental **Entities**

Your Responsibility Provide the information below!



- 1) The Entity Annual Report (E-1) filing requirement established by IC 5-11-1-4 and the audit requirement established by IC 5-11-1-9;
- 2) The source(s) of the funding provided;
 - a) State funds (in the case of subsidies, contributions, or general aid),
 - b) Federal grants passed through a State Agency
(including the formal name of the program and ALN #)
 - c) Fee for service arrangements,

Your Responsibility
Provide the information below!



- 3) The State Board of Accounts may request documentation to support the categorization of the financial assistance,
- 4) The E-1 is not to be confused with the Secretary of State's Business Entity report, and
- 5) The entity may obtain additional information from the State Board of Accounts at notforprofit@sboa.in.gov

Entity Annual Report (E-1)

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Questions?