

THE COUNTY BULLETIN

And Uniform Compliance Guidelines

ISSUED BY STATE BOARD OF ACCOUNTS

Vol. No. 422

September 2020

REMINDER OF ORDER OF BUSINESS

October

- 12 Columbus Day – Legal Holiday (IC 1-1-9-1)
- 20 Last day to report and make payment of State and County Income Tax withheld in the month of September to the Indiana Department of Revenue.
- 27-30 Auditors Annual Fall Conference
- 31 Last day to file quarterly unemployment compensation report with the Indiana Department of Workforce Development.

November

- 1 Last day for county auditor to certify to the office of judicial administration the amounts, if any, the county will be providing to the judges salary during the ensuing calendar year. (IC 33-38-5-6(b))
- 3 Election Day – Legal Holiday (IC 1-1-9-1)
- 10 Last day for paying second installment of taxes without penalty. Start preparing for settlement of second installment tax collections (IC 6-1.1-37-10)
- 11 Veterans Day – Legal Holiday (IC 1-1-9-1)
- 20 Last day to report and make payment of State and County Income Tax withheld in the month of October to the Indiana Department of Revenue.
- 26 Thanksgiving Day – Legal Holiday (1-1-9-1)

December

- (1) On or before this date, certify names and addresses of persons who have money due to them for salaries, wages or other reasons to County Treasurer, for determining if such persons owe delinquent taxes. (IC 6-1.1-22-14)
- 20 Last day to report and make payment of State and County Income Tax withheld in the month of November to the Indiana Department of Revenue.

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December (Cont')

25 Christmas Day – Legal Holiday (IC 1-1-9-1)

31 Review year-end duties.

Post and close all records completely and promptly.

The Auditor should balance with the Treasurer and verify the amount of cash in the Treasurer's office.

Cash Change Funds issued to any county officer whose term expires must be returned to the County General Fund.

FIELD EXAMINER IDENTIFICATION

Good management controls would dictate that whenever you are approached by a person requesting records who holds themselves out to be a field examiner of the State Board of Accounts, and you are not certain of their identity, you should request to see their picture identification card. All Field Examiners of the State Board of Accounts have been issued a picture ID for this purpose. If you are uncertain whether an individual is a Field Examiner of the State Board of Accounts, please call the central office at 317-232-2513.

APPROVED DEPOSITORIES

A list of approved depositories may be found on the website of the Indiana Board for Depositories at www.in.gov/tos/deposit/. Any questions concerning the approved status of any depository listed or whether or not a new financial institution not listed is eligible should be directed to the Treasurer of State's office.

SAFEKEEPING RECEIPTS FOR INVESTMENTS

IC 5-13-9-2 states in (d): "The investing officers of the political subdivisions are the legal custodians of securities under this chapter. They shall accept safekeeping receipts or other reporting for securities from:

(1) a duly designated depository as prescribed in this article; or

(2) a financial institution located either in or out of Indiana having custody of securities with a combined capital and surplus of at least ten million dollars (\$10,000,000) according to the last statement of condition filed by the financial institution with its governmental supervisory body."

And (e): "The state board of accounts may rely on safekeeping receipts or other reporting from any depository or financial institution."

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PUBLIC NATURE OF RECORDS AND MEETINGS

We are often asked about public access to meetings and records. Statutory requirements regarding access to meetings and records may be found at IC 5-14-1.5 (Open Door Law) and IC 5-14-3 respectively. The Public Access Counselor provides assistance concerning Indiana's public access statutes and may be reached at 1-800-228-6013 or 1-317-234-0906. The Public Access Counselor's website also provides resource materials such as a handbook on public access, fact sheets, and advisory opinions. The website is www.in.gov/pac.

NOTICE OF COUNTY COUNCIL MEETINGS

The provisions of IC 36-2-3-7 require that the county auditor, president of the council, or a majority of the members of the council calling the meetings to give written notice of the meeting to each member of the county council at least forty-eight (48) hours before the meeting and publish the notice at least one (1) day before the meeting in accordance with IC 5-3-1-4. In addition, in subsection (d), there are provisions when a court orders the county auditor to make an expenditure of county money for which there is no appropriation, the auditor will call an emergency meeting of the council. This meeting must be held within three working days of receipt of the order and notice of the meeting day, time and place is sufficient if given by telephone to the members of the fiscal body and given according to IC 5-14-1.5. (IC 36-2-3-7(d)).

However, notice of the annual budget shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing on the budget. (IC 6-1.1-17-3) The public hearing must be completed at least ten (10) days before the proper officers of the political subdivision meet to fix the budget, tax rate and tax levy. (IC 6-1.1-17-5)

Notices of additional appropriations shall be published at least ten (10) days before the date fixed for the public hearing on the proposed additional appropriation. (IC 6-1.1-18-5; IC 5-3-1-2)

REIMBURSEMENT FOR SALARY OF COUNTY HIGHWAY ENGINEER

Per IC 8-17-5-8 this distribution is for a full-time county highway engineer. A county in which the county engineer devotes part-time to the county highway department and part-time to the drainage funds or some other department would not qualify for the grant-in-aid subsidy for full-time county highway engineers.

IC 8-17-5-9 requires the county auditor to certify annually to the state auditor if the county employs a full-time county highway engineer. Such certification must show the name and address of the county highway engineer and the serial number of his certificate of registration issued by the State Board of Registration for Professional Engineers. Upon receipt of the annual certification, the state auditor shall distribute from the county highway engineer fund to the counties a grant-in-aid subsidy in the amount of \$40,000 which is to be applied toward the engineer's annual salary. If the county highway engineer is employed by the two (2) counties, acting jointly, the amount to be distributed to each such county unit shall be \$40,000 (IC 8-17-5-10).

Also, if the amount fixed by council, as compensation for services as highway engineer is greater than the amount set for serving as county surveyor, then the amount the person receives as compensation as engineer is in lieu of the amount set for the surveyor (IC 36-2-12-15).

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COUNTY DRUG FREE COMMUNITY FUND

In 1990, per IC 5-2-11 a county drug free community fund was established in each county to promote comprehensive local alcohol and drug abuse prevention initiatives by supplementing local funding for treatment, education and criminal justice efforts. The fund consists of fees collected by the Clerk of the Circuit Court: under IC 33-37-7-2(c) and IC 33-37-7-8(e). [IC 5-2-11-2] Specifically:

1. Seventy-five percent (75%) of the Drug Abuse, Prosecution, Interdiction, and Correction Fee under IC 33-7-4-1(b)(5);
2. Seventy-five percent (75%) of the Alcohol and Drug Counter-Measures Fees under IC 33-37-4-1(b)(6), IC 33-37-4-2(b)(4) and IC 33-37-4-3(b)(5). [IC 33-37-7-2(c)]

These fees will be remitted monthly by the Clerk of the Circuit Court to the County Auditor on their Monthly Report of Collections and receipted to the "Drug Free Community Fund."

The remaining twenty-five percent (25%) of these fees are to be receipted by the Clerk of the Circuit Court to the "State User Fee Fund" and semiannually distributed to the Auditor of State.

The County Auditor shall administer the Drug Free Community Fund which requires local appropriation. The fund is non-reverting.

The County Council shall annually appropriate from the fund amounts allocated by the Board of County Commissioners for the use of persons, organizations, agencies and political subdivisions to carry out recommended actions contained in a comprehensive drug free communities plan submitted by the Local Coordinating Council, established by IC 5-2-11-1.6 and approved by the Commission for a Drug Free Indiana established under IC 5-2-6-16.

The Board of County Commissioners shall allocate the money, based on the recommendation of the Local Coordinating Council and in accordance with the approved plan, as follows:

1. At least twenty-five percent (25%) of the money is to go to persons, agencies, organizations, and political subdivisions providing prevention and education services in the County, and
2. At least twenty-five percent (25%) of the money is to go to persons, agencies, organizations, and political subdivisions providing intervention and treatment services in the County, and
3. At least twenty-five percent (25%) to persons, agencies, organizations, and political subdivisions providing criminal justice services and activities in the County, and
4. The remaining twenty-five percent (25%) in the fund to be allocated by the county fiscal body to persons, organizations, agencies, and political subdivisions to provide services and activities under subdivisions (1) through (3) based on the comprehensive drug free communities plan.

Through the plan the Local Coordinating Council determines the amount of funds the County Council should appropriate to implement the objectives of the plan. If the plan is not approved by the Commission for a Drug Free Indiana the County Council may not appropriate the funds even at the request of the local council.

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COUNTY DRUG FREE COMMUNITY FUND (Continued)

The fund may not be used to replace other funding for alcohol and drug abuse services provided to the county.

It will be up to the Board of County Commissioners, based on the approved comprehensive plan created by the LLC, to decide what persons, organizations, agencies, and political subdivisions get this money.

As always the recipients of these funds should enter into a contractual agreement with the county commissioners stating:

1. They will use the funds to provide services and activities contained in the plan;
2. The recipient will file periodic financial reports of the services and activities provided; and
3. They will be subject to an audit by the State Board of Accounts.

Additional Clarification

The Commission for a Drug Free Indiana (Commission) approves and appoints the local coordinating council (LCC) which is a countywide citizen body. The purpose of the LCC is to plan, monitor, and evaluate comprehensive local alcohol and drug abuse plans. The LCC works in an advisory capacity to the County Commissioners for the County Drug Free Community funds and develops the comprehensive plan that must be approved by the County Commissioners and ultimately by the Commission.

The County Council will approve appropriations for the County Drug Free Community Fund (fund 1148) and the auditor will administer the funds. Disbursements from the fund must be in compliance with the Comprehensive Plan approved by the Commission. The Indiana Criminal Justice Institute will notify the county auditor when the plan has been approved and provide documentation of the approved plan's budget. The Auditor will administer the Drug Free Community fund similar to a grant fund although the funding comes from the collection of local fees and not a state grant. The auditor should notify the LCC of the fund balance and any amendments to the original comprehensive plan would have to be approved by the Commission.

The administration costs of the LCC that are approved under the Comprehensive plan will be paid through the county's claim processing. The county should not turn over any funds from the Drug Free Community fund to the LCC for the LCC to administer. Any payments for equipment or supplies will also be paid through the county's claims process.

Grant amounts awarded to other entities that will be providing services under the approved plan will be paid by claim, based on the comprehensive plan. The LCC can provide the grant agreement between the county and the other entity, but the Commissioners must approve the agreement. The LCC will monitor the grant activity for the county. The Commissioners should formalize the arrangement between the County and the LCC for implementation of the Drug Free Community plan with a written agreement.

SHERIFF'S COMMISSARY FUND

Under IC 36-8-10-21(d)(9), the law allows commissary funds to be used for any other purpose that benefits the sheriff's department that is mutually agreed upon by the county fiscal body and the county sheriff. Our audit position is that this mutually agreed upon disbursement can be done by a vote of the board and included in the minutes of the fiscal body. A formal resolution or ordinance is not required.

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STATE SOLID WASTE MANAGEMENT FEES

A State Solid Waste Management Fee is to be charged by all counties owning their own final disposal facility. Per IC 13-20-22-1: "(b) A fee is imposed on the disposal or incineration of solid waste in a final disposal facility in Indiana, except as provided in section 14 of this chapter, the amount of the fee is as follows:

For solid waste generated in Indiana and delivered to a final disposal facility in a motor vehicle having a registered gross vehicle weight greater than nine thousand (9,000) pounds, fifty cents (\$.50) a ton.

- (1) For solid waste generated in Indiana and delivered to a final disposal facility in a motor vehicle having a registered gross vehicle weight greater than nine thousand (9,000) pounds, fifty cents (\$.50) a ton.
- (2) For solid waste generated outside Indiana and delivered to a final disposal facility in a motor vehicle having a registered gross vehicle weight greater than nine thousand (9,000) pounds:
 - (A) fifty cents (\$.50) a ton; and
 - (B) if the solid waste management board has adopted rules under subsection (c), an additional amount imposed under the rules.
- (3) For solid waste generated in Indiana or outside Indiana and delivered to a final disposal facility in:
 - (A) a motor vehicle having a registered gross vehicle weight of not more than nine thousand (9,000) pounds; or
 - (B) a passenger motor vehicle (as defined in IC 9-13-2-123);fifty cents (\$.50) for each load delivered by the motor vehicle.

(c) The solid waste management board may adopt rules to establish and impose a fee on the disposal or incineration of solid waste that is:

- (1) generated outside Indiana; and
- (2) disposed of or incinerated in a final disposal facility in Indiana.

If rules are adopted under this subsection, the fee shall be set at an amount necessary to offset the costs incurred by the state or a county, municipality, or township that can be attributed to the importation of the solid waste into Indiana and the presence of the solid waste in Indiana.

(d) Revenue from fees collected under subsection (b)(1) and (b)(2)(A) shall be deposited in the state solid waste management fund established by section 2 of this chapter. Revenue from fees collected under subsection (b)(2)(B) shall be deposited in the hazardous substances response trust fund established by IC 13-25-4-1, except that any part of the revenue that the board finds is necessary to offset costs incurred by counties, municipalities, and townships shall be distributed to solid waste management districts pro rata on the basis of the district's population.

Per IC 13-20-22-11:

"(a) The owner or operator of a final disposal facility is responsible for collecting the fees imposed under section 1 of this chapter from persons delivering solid waste to that facility.

(b) Each owner or operator may:

- (1) deduct from the fees an amount equal to one percent (1%) of the fees collected; and
- (2) retain this amount as compensation for collecting and remitting the fees; if the fees collected and the reports required under subsection (c) are timely remitted and filed.

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STATE SOLID WASTE MANAGEMENT FEES (Continued)

(c) If:

(1) the fees collected are remitted; or

(2) the required report is filed; after the due date, the owner or operator shall remit all fees collected to the department of state revenue.

(d) The owner or operator shall remit the remainder of the fees that the owner or operator collects during a month to the department of state revenue not later than ten (10) days after the last day of the month in which the fees are collected.

(e) The owner or operator of a final disposal facility shall file monthly reports with the department concerning the fees collected under this section. The department shall adopt a form for these reports. An owner or operator shall use the form in reporting to the department.”

USES OF RECORD PERPETUATION FUNDS

Clerk - The clerk of the court may use the money in their perpetuation fund for the preservation of records; the improvement of record keeping systems and equipment, and case management system as stated in IC 33-37-5-2(b). This perpetuation fund requires an appropriation.

Recorder - The recorder may use the money in their perpetuation fund for the preservation of records and the improvement of record keeping systems and equipment as stated in IC 36-2-7-10(f). This fund is within the control of the recorder and does not require an appropriation. There is a provision in IC 36-2-7-10.2 that outlines the requirements needed to be followed allowing for the payment of operating expenses of the Recorder's office

The code does not specifically define what would be considered the preservation of records and improvement of the record keeping systems that the fund can be used for. To determine whether an intended purchase complies with the statute, the County should get the opinion of their legal counsel and provide that opinion as part of the supporting documentation for the purchase.

For the purpose of the preservation of records, both of these funds may be used to pay wages, but only for work done that is directly related to that purpose. For example, if a part-time deputy is hired to scan records and index those scanned records that would be an allowable use. Documentation should be maintained that the work performed was on the preservation of records.

CAPITAL ASSETS – SMALLER PURCHASES NOT CAPITALIZED

Assets include any items that are purchased by the County that will be useful for more than one year. This can include items such as office equipment and furniture as examples. Each County should have a capitalization policy that sets a threshold at which these assets are capitalized and added to the capital asset detail. The threshold amount is a county decision. As an example, if the threshold is set for \$5,000 than any asset purchased that costs more than \$5,000 is added to the capital asset detail. If the asset costs less than \$5,000, it is not capitalized.

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CAPITAL ASSETS – SMALLER PURCHASES NOT CAPITALIZED (Continued...)

It is the responsibility of the county to safeguard all assets purchased, even those that are not capitalized. Some purchases, such as electronic equipment (laptops, tablets, cell phones, PC's etc.) may be at higher risk of loss due to theft or misuse, but still cost less than the capitalization threshold. For those items, the County should have an inventory policy to provide control over those items. This policy could be part of the capitalization policy or a separate policy. The inventory policy would allow the county to track and account for these assets that are not capitalized but still need to be monitored.

You do need to have control procedures in place to safeguard these items. We used electronic items as an example, but there are other items that should also be considered such as copiers, generators, radios and tools. Your policy needs to consider what items are worth the cost of tracking and which are not, for example, a laptop is worth tracking, while a chair may not be. The policy could establish a threshold similar to the capital asset threshold for a dollar amount that would be tracked. Alternatively, the policy could specify particular types of equipment that should be tracked. The County would need to decide based on the risks and resources of the County. The policy should also specify who will do the tracking, for example, in many counties, the IT departments often track all of the electronic equipment. For other items, the Department heads might keep a departmental inventory.

Some additional items to consider:

1. A way to track these items (serial numbers, stickers or other tagging, for example)
2. A complete inventory of these items (using serial numbers, tag numbers, locations) this could be done manually or with a spreadsheet or data base.
3. A physical inventory should be conducted periodically by departments to determine the accuracy of the inventory.
4. Policies and procedures for adding new purchases and removing the items when they are no longer owned by the County.
5. Policies and procedures for missing items.

MOTOR VEHICLE HIGHWAY (MVH) – NEGATIVE BALANCES

The MVH Restricted sub-fund (1173) was introduced in 2018. While this sub-fund is part of the MVH fund as a whole it should not have a negative balance at the end of the year. The County is required to deposit at least 50% of the MVH distributions into the MVH Restricted sub-fund and can only be used to pay for construction, reconstruction, and preservation (definitions and examples can be found here: [MVH - Restricted Uses](#)).

However, the MVH fund (1176) can also be used to pay for construction, reconstruction and preservation costs. If there are costs that exceed the revenue in the MVH Restricted sub-fund (1173), the costs should then be posted to the 1176 fund. This should be monitored throughout the year so that neither 1176 nor 1173 are in the negative.

If expenses posted to MVH Restricted (1173) cause it to have a negative balance those expenses can be moved to MVH (1176). No transfers of funds from 1176 to 1173 should be occurring without an ordinance or resolution allocating money in excess of the 50% requirement.

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UNEMPLOYMENT CLAIMS

Each unemployment claim received should be carefully reviewed to make sure that the claim is proper. Protests should be filed when considered necessary.

According to the Indiana Department of Workforce Development Unemployment Insurance Employer Handbook (Revised 1/10/2020), page 47 and 48:

“Whenever an individual files an initial claim for benefits, their last employer and all of their base period employers are notified and asked to verify the reason for the claimant’s unemployment. This notifies the organization that its experience account may be charged. Employers that have elected to participate in the State Information Data Exchange System (SIDES) or SIDES E-Response can respond to these notices electronically. SIDES allows employers to exchange UI separation information with DWD electronically...If the organization is not signed up for electronic notice and response (SIDES), it may then use state form 640P to protest a claimant’s eligibility for benefits. The information the organization provides on this form could affect the claimant’s eligibility or any charges to the employer’s experience account for benefits paid. Form 640P is available online at www.in.gov/dwd/2465.htm...

Employers have a duty to prevent unemployment benefits from being paid if the claimant is not entitled to receive benefits. To prevent benefits from being paid in error, the organization must respond electronically, or submit Form 640P, if a former employee seeking unemployment benefits is unemployed because that person:

- Quit voluntarily or was absent for unknown reasons
- Was discharged for just cause (see Section VII)
- Was discharged for gross misconduct (see Section VII)
- Is not entitled to ANY pay or benefits from the organization;
- Is ineligible for any reason listed in this handbook.”

For purposes of the Unemployment Compensation System, IC 22-4-8-2(i)(1) and (2) defines employment to include service performed -

“(1)...by an individual in the employ of this state or any of its instrumentalities (or in the employ of this state and one (1) or more other states or their instrumentalities) for a hospital or eligible postsecondary educational institution located in Indiana.

(2)... by an individual in the employ of this state or a political subdivision of the state or any instrumentality of the state or a political subdivision, or any instrumentality which is wholly owned by the state and one (1) or more other states or political subdivisions...

However, service performed...as the following is excluded:

- (A) An elected official.
- (B) A member of a legislative body or of the judiciary of a state or political subdivision.
- (C) A member of the state national guard or air national guard.
- (D) An employee serving on a temporary basis in the case of fire, snow, storm, earthquake, flood, or similar emergency.
- (E) An individual in a position which, under the laws of the state, is designated as: (i) a major nontenured policymaking or advisory position; or (ii) a policymaking or advisory position the performance of the duties of which ordinarily does not require more than eight (8) hours per week.”

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QUESTIONS AND ANSWERS FROM 2020 VIRTUAL COUNTY RECORDERS CONFERENCE

- Question 1:** Can any department use the Enhanced Access Fund or is it just for the Recorder?
- Answer 1:** Enhanced Access Fund (1154) is a county fund that is appropriated by county council and can be used for the replacement, improvement, and expansion of capital expenditures along with reimbursing operating expenses in providing the enhanced access as defined in IC 5-14-3-8.3
- Question 2:** Can I purchase roller shelving to store historical records that I have had preserved?
- Answer 2:** There could be an argument made that the roller shelving is aiding in the preservation of records. The recorder needs to make that determination and document it on the claim.
- Question 3:** What do you do when the council and commissioners will not give you any money from general fund except mine and chief deputy's salary and makes you take everything else out of the Record Perpetuation Fund?
- Answer 3:** The recorders plan should help you determine if there are excess funds that would be available for use in paying expenses of the recorder. If there is excess funds available a sworn statement can be issued in compliance with IC 36-2-7-10.2. If there are not excess funds and a sworn statement cannot be done then work with the council so they understand the services may not be able to be offered.
- Question 4:** Recorders are the only ones that can spend Record Perpetuation Fund but council & commissioners still need to approve spending?
- Answer 4:** Recorders Perpetuation Fund claims still need to run through the county claim process which means the commissioners would still need to approve the claim.
- Question 5:** Can council limit amount for salaries that are spent out of Record Perpetuation Fund?
- Answer 5:** Any salaries paid out of the record of perpetuation fund should be directly related to the preservation of records unless a sworn statement in compliance with IC 36-2-7-10.2 is done. It is the county councils responsibility to determine the salary ordinance which determines the amount of pay an employee receives including the recorder.
- Question 6:** May I use Record Perpetuation Fund for a time clock/keeping system for employees? I have part-time back indexers and employee's time which relates to preservation of historical documents? Is this ok although it relates to both direct and indirect? I have more than enough in the funds.
- Answer 6:** A time clock record keeping system is a county wide system and would not be just for the recorder's office. This would not meet the definition of preservation of records and record keeping systems.
- Question 7:** If you have this affidavit in place can you use the fund for capital expenses?
- Answer 7:** IC 36-2-7-10.2(b) outlines what is required to be able to pay all or a portion of the expenses of the county recorder's office. If requirements are met and a sworn statement is in place then yes.

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QUESTIONS AND ANSWERS FROM 2020 VIRTUAL COUNTY RECORDERS CONFERENCE (Continued...)

Question 8: Do we need to have the sworn statement for the computer software that we use to preserve the records?

Answer 8: If the software is only used in the preservation of records then no sworn statement would be necessary.

Question 9: I have a sworn statement in place. The flooring needs replaced, but the Commissioners cannot/will not replace it. They know that the perpetuation has more than enough to cover it, even after all major expenses have been paid. Can my office pay for the flooring?

Answer 9: IC 36-2-7-10.2(b) outlines what is required to be able to pay all or a portion of the expenses of the county recorder's office. If the requirements are met then flooring would be an allowable purchase.

Question 10: I had a situation where the overpayment was \$10.00. I kept 3 and refunded 7; however, the party hasn't cashed the check. How long do I have to keep that as outstanding?

Answer 10: A check is generally good for 2 years. If the check is not cashed within that time the amount can be sent to Indiana Unclaimed.

Question 11: How should an elected official approach this if the county executive body will not properly fund positions to run county offices? I only have myself and a part-time first deputy, and this could be a major concern for the succession of the office if both of us become ill. Any suggestions on how to move forward on constructing an emergency plan for my office?

Answer 11: Communicate with county officials to help facilitate a plan that will work for your county.

Question 12: Just to clarify, the Transfer on Death cross reference doesn't literally need to be on the Affidavit? Just the information to Auditor?

Answer 12: IC 32-17-14-26(b)(20) states what is required:

On the death of an owner whose transfer on death deed has been recorded, the beneficiary shall file an affidavit in the office of the recorder of the county in which the real property is located. The affidavit must be endorsed by the county auditor under [IC 36-2-11-14](#) in order to be recorded. The affidavit must contain the following:

(A) The legal description of the property.

(B) The date of death of the owner.

(C) The name and address of each designated beneficiary who survives the owner or is in existence on the date of the owner's death.

(D) The name of each designated beneficiary who has not survived the owner's death or is not in existence on the date of the owner's death.

(E) A cross-reference to the recorded transfer on death deed.

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QUESTIONS AND ANSWERS FROM 2020 VIRTUAL COUNTY TREASURERS CONFERENCE

Question 1: Audit year 1 with a finding and correct it. Audit second year with a different finding that was not mentioned in the prior year as a discussion or finding, thus not knowing it was something to correct. Why does that happen?

Answer 1: We use a risk based approach and materiality thresholds to determine the required audited information. We do not audit 100% of the county financial activity during an audit which can cause a few issues to go undetected. Likewise a finding could possibly be a new development that was not occurring during the prior audit as well.

Question 2: If we have an EFT deposit and the Treasurer allows for on the Cashbook, but the Auditor does not have the fund set up so the monies cannot be quietused into the fund for several days, would there be any finding against the Treasurer?

Answer 2: In most cases the county should be aware of the funds it is about to receive and the fund should be set up in anticipation of those funds. This should be something that would occur on a rare occasion and in this case we would not take audit exception for holding in on the cashbook for a short period of time until the fund is created.

Question 3: When we garnish government employees, should we garnish for penalties only? Their main question centers around when the penalties are due. I say penalties are due as soon as they are applied. So If the spring payment is late and penalties are then applied, the penalties are due now. Not due in November. The tax bill shows them as due in November, but I think that is a programming limitation. There is no other place to put the penalties on the tax bill. The tax bill is throwing off the employees. They say it looks like it's not due until November 10th. So the question is- are penalties due when they are applied and therefore we can garnish government employees for penalties only?

Answer 3: In cases like this the system does not generate a bill for the penalties because the property taxes have been paid so it gets shown on the November tax bill. You would need to consult the county attorney if it is legal to garnish an employee's wages for penalties that they may not know they have.

Question 4: Can you give maybe one example of an effective control?

Answer 4: An effective control is one that involves more than one person and makes sure that operations are working effectively and efficiently, reporting reliable information, and complying with applicable laws and regulations. For example, a bank reconciliation should have controls in place the not only verify that they are being done but that they are accurate and reliable. This can be done many ways but the treasurer could ask to see the bank reconciliation every month to verify it has been done and the process is working and in compliance, but maybe the deputy is verifying the accuracy and reliability of the information provided. Both reviews should be documented whether it is initials and dates or emails confirming everything is in order.

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QUESTIONS AND ANSWERS FROM 2020 VIRTUAL COUNTY TREASURERS CONFERENCE (Continued...)

Question 5: Since I upload the 47TR to gateway monthly, does the Auditor still need to send the hard copy in?

Answer 5: Yes. In 2019 the statute changed for the clerks, where the 46CR (monthly report) was no longer required to be sent in by the Auditor, unfortunately the statute for the Treasurers 47TR was never changed. IC 36-2-10-16 (a)(9) explains how to prepare the copies of the report while IC 36-2-9-11 states the auditor's responsibilities in filing the copies. The State Board of Accounts copy can be emailed to TBjortomt@sboa.IN.gov.

Question 6: Do we need to report all the fraud attempts on our bank accounts to SBOA? Positive Pay caught them and no money was lost. Should we report those?

Answer 6: You do not need to report attempts that have been caught by positive pay, only fraud that has actually occurred.

Question 7: Where can I find the verbiage regarding removal of late penalties, must be our error...

Answer 7: Per IC 6-1.1-37-15 (a) The county treasurer and the county auditor may implement a policy to waive, negotiate, or settle penalties that have accrued on delinquent property taxes imposed in the county, if the policy is approved by the fiscal body (as defined in [IC 36-1-2-6](#)) of the county.

Question 8: In regards to emergency plans, can the designated person be a former Treasurer or Deputy Treasurer who no longer works for the County?

Answer 8: The designated person needs to be an employee of the county. A former Treasurer or deputy can be used to consult.

Question 9: Would it make sense for Treasurers with the same software from nearby offices to be back-ups for other Treasurers?

Answer 9: Treasurers with the same software from nearby offices would be great consultants but the backup needs to be an employee of the county.

Question 10: Does the field examiner only email the Auditor? Apparently we are in the Audit process and I had no idea.

Answer 10: The Auditor is the fiscal officer of the county and is our field examiners first point of contact. The field examiner should make you aware of their presence when they start gathering information, but the Auditor does have all the required forms they need first to begin the audit.

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Question 11: Can the treasurers be included in the initial contact from SBOA so we know that the audit is going to occur. We are never made aware by our auditor until the day your coming.

Answer 11: The Auditor is the fiscal officer of the county and is our field examiners first point of contact. The field examiner should make you aware of their presence when they start gathering information, but the Auditor does have all the required forms they need first to begin the audit.

Question 12: I am confused as to whether I upload the 47TR each month or the bank reconciliation when I am finished?

Answer 12: You need to upload the bank reconciliation in Gateway but you can also upload the 47TR if you choose, though by doing this it does not remove the responsibility of the auditor to submit a copy to the state board of accounts.

Question 13: How do i get into gateway? i am the backup for the person who normally uploads things to gateway?

Answer 13: The Treasurer would have to delegate you access by reaching out to the Gateway helpdesk.