
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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Frequently Asked Questions

Sales Reconciliation Files

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1. Why do we have to explain the sales which have not been marked as Valid for Trending?

There has been an emphasis placed on the number of valid sales used in the Ratio Study. Many of the sales that were not marked Valid for Trending did not include a special circumstance. Some of these sales may be valid and can be used in the Ratio Study. If they have been deemed invalid, a brief explanation will be required.

2. Why can't the DLGF remove the sales that have a comment in the disclosure file?

It is not the Department's place to review each sale for every county to include in the ratio study. The comments box is for the county to include additional information and does not automatically invalidate a sale. If the county would like to use the comments in the Sales Reconciliation, VLOOKUP is a valuable tool for shortening the work of merging two spreadsheets. However, if the comments are used, please review each one to ensure an appropriate explanation has been given.

3. Why do we have to explain all of the valid sales that were used in the Ratio Study?

There is no requirement to explain the valid sales in the Ratio Study. When the county received the Sales Reconciliation, the email states, "Please review the attached spreadsheet and provide a brief explanation for any sale **that will not be used in the Ratio Study.**"

4. Not all of my sales are on the Sales Reconciliation. Where are the rest of my sales?

The email states these criteria are used to generate the Sales Reconciliation:
No unusual circumstances (such as a land contract, seller financing, etc.)
Property class between 300 and 599
Sale price >\$1,000

It is possible there are some sales that do not fall into these categories that can be included in the Ratio Study (e.g. a purchase from a relative that was determined to be fair market value). The county is welcome to include more sales in the Ratio Study.

5. What is an acceptable explanation?

Give a brief snapshot of what happened with the sale. Rather than “outlier”, explain why it was deemed an outlier, such as what is going on in the market versus what happened with the sale. This can be done in just a few words (“sold for \$100,000 when similar properties sold for \$200,000)

6. Why are there more sales on this Sales Reconciliation than in the past?

The criteria used in the past for generating the Sales Reconciliation removed parcels that were not marked “Valid for Trending”. This criteria has been removed so if a parcel was not marked Valid for Trending, but did not have any other special circumstance listed, it will be included in the Sales Reconciliation.