

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
BOARD OF COUNTY COMMISSIONERS
CRAWFORD COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
12/29/2006

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COUNTY OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|---|-----------------------------|--|
| President of the County Council | David Jones Jerry Brewer | 01-01-04 to 12-31-05 01-01-06 to 12-31-06 |
| President of the Board of County Commissioners | Randy Gilmore | 01-01-04 to 12-31-06 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF CRAWFORD COUNTY

We have examined the records of the Board of County Commissioners for the period from January 1, 2004 to December 31, 2005, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Examination Result and Comment. The financial transactions of this office are reflected in the Examination Report of Crawford County for the years 2004 and 2005.

STATE BOARD OF ACCOUNTS

November 29, 2006

BOARD OF COUNTY COMMISSIONERS
CRAWFORD COUNTY
EXAMINATION RESULT AND COMMENT

ORDINANCES AND RESOLUTIONS

The County has approved the County of Crawford Policy and Procedure Manual effective January 17, 1996, and several addendums at later dates, to provide guidelines for compensation and benefits for elected officials and employees. The County did not follow the following approved guidelines when providing benefits:

1. The addendum dated January 1, 1999, states in part: "Full time employees only will be allowed three (3) days sick leave. Days may be used consecutively. Days unused may NOT be carried over. Unused days will be compensated at normal rate of pay . . ." However, the County did not compensate employees for unused sick days during the audit period. Some departments allowed some employees to carry unused sick days over to the next year.

2. The County of Crawford Policy and Procedure Manual in Section V, Part B, Vacation, states in part:

"(1) . . . Vacations can be taken one (1) day at a time and are from date of employment yearly
. . .

(2) All non-elected, full-time employees . . . shall receive paid vacation on the basis of eight (8) hours per day in accordance with the following schedule:

- a. After one (1) year full time employment - 05 days
- b. After two (2) years full time employment - 10 days
- c. After five (5) years full time employment - 15 days

(3) Vacations provided by this section are not to be accumulated and must be completed within the calendar year in which the employee becomes eligible. Up to five (5) days of vacation time not taken by the employment anniversary date in which the employee becomes eligible, may be carried over to the next year. . ."

However the County did not consistently grant vacation on the employee's anniversary date or consistently apply the accrual of vacation leave earned, according to the above approved schedule. Some employees were allowed to carry over unused vacation in excess of five (5) days to the next year.

3. The addendum dated January 3, 1998, states in part: "(C). . . No personal day will be granted before a one year employment period. County employees will accrue one (1) personal day every six (6) months after their first year of employment. After that each employee will be entitled to (3) personal/sick days annually beginning January 01, each year . . . but cannot be carried over." However, the County granted three (3) personal days after the first year of employment to employees. Some employees were allowed to carry over unused personal days to the next year.

BOARD OF COUNTY COMMISSIONERS
CRAWFORD COUNTY
EXAMINATION RESULT AND COMMENT
(Continued)

4. The County of Crawford Policy and Procedure Manual in Section IV, Part A, states in part: ". . . shall be entitled to overtime pay for all hours worked or credited to said employee in a given weekly pay period in excess of forty (40) hours. For the purpose of determining the number of hours worked or credited to an employee for overtime purposes, each paid holiday, paid vacation day, and paid sick day leave (hourly employees only), or paid authorized leave day shall be considered at the rate of one and one-half times their base hourly wage . . ." The addendum dated January 3, 1998, states in part: "(A) . . . Remove 'IN ADDITION ALL COMP TIME MUST BE USED IN THE PRECEDING QUARTER OR IT WILL BE LOST.'" However, some employees earned compensatory time based just on the number of hours worked and some employees earned compensatory time based on the number of hours worked and credited. In addition, some employees lost their compensatory time if they did not use their compensatory time in the quarter after it was earned.
5. The addendum effective September 20, 1997, states in part: "(D) . . . Full time hourly rated employees covered by compensatory time provisions will be allowed one and one-half compensatory time for each hour worked on an authorized holiday." However, some employees earned compensatory time at just one times the number of hours worked on an authorized holiday. In addition, some employees lost their holiday compensatory time earned if they did not use their holiday compensatory time in the quarter after it was earned.
6. The approved County of Crawford Policy and Procedure Manual and various addendums, do not address longevity pay. The budget/salary ordinance included longevity pay in monetary amounts per department; however, in at least one department, longevity pay was not included in the budget/salary ordinance. The County compensated employees of this department and others for their number of years of service each year of the audit period. There are no guidelines as to how the longevity pay is to be distributed, and based on informal guidelines, at least two employees received more longevity than other employees with the same number of years of service.
7. The Emergency Medical Services and the Sheriff's Departments operate with an unofficial compensation and benefits policy and procedure guidelines. The accumulation and calculation of overtime may not comply with the Federal Labor Standards Act.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 5)

Attorney General Opinion No. 88-7, states that the number of vacation days that employees of the county shall receive with pay, sick leave, paid holidays, and other similar benefits may be granted by ordinance of the board of county commissioners of the county pursuant to Indiana Code Section 5-10-6-1(b), unless a specific statute for specific employees provides otherwise.

It is imperative that the county adopt a policy regarding leave rules and other benefits. The State Board of Accounts will be auditing the policy to see that the employees of the county are following the adopted policy. (The County Bulletin and Uniform Compliance Guidelines, October 1998, Page 8-9)

BOARD OF COUNTY COMMISSIONERS
CRAWFORD COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 7, 2006, with Larry G. Bye, a member of the Board of County Commissioners. The official concurred with our examination finding.