

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

NEW ALBANY - FLOYD COUNTY PUBLIC LIBRARY

FLOYD COUNTY, INDIANA

January 1, 2011 to December 31, 2014



FILED
05/20/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Stephen T. Day	01-01-11 to 10-09-11
	Rose Frost	10-10-11 to 03-08-15
	Sandra Fortner (Interim)	03-09-15 to 01-31-16
	Melissa Merida	02-01-16 to 12-31-16
Treasurer	Roger Whaley	01-01-11 to 12-31-11
	Deborah M. Beckham	01-01-12 to 12-31-12
	Ralph Dooley	01-01-13 to 12-31-13
	Carolyn Gerton	01-01-14 to 12-31-14
	Gabrielle Carr	01-01-15 to 12-31-16
President of the Board	Margaret Sager	01-01-11 to 12-31-11
	Suellen Wilkinson	01-01-12 to 12-31-12
	Gabrielle Carr	01-01-13 to 12-31-13
	Roger Whaley	01-01-14 to 12-31-14
	Tonye Rutherford	01-01-15 to 12-31-16



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE NEW ALBANY - FLOYD COUNTY
PUBLIC LIBRARY, FLOYD COUNTY, INDIANA

This report is supplemental to our examination report of the New Albany - Floyd County Public Library (Library), for the period from January 1, 2011 to December 31, 2014. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the Library. It should be read in conjunction with our Financial Statements Examination Report of the Library, which provides our opinion on the Library's financial statements. This report may be found at www.in.gov/sboa.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Examination Results and Comments, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

March 16, 2016

NEW ALBANY - FLOYD COUNTY PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

COMPENSATION AND BENEFITS

The rate of pay during the examination period for employees of the Library was not included on a salary ordinance, resolution, or salary schedule approved by the Library Board.

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 otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

CREDIT CARDS

The Library was using credit cards to purchase items without a formal approved credit card policy.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the board.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.

NEW ALBANY - FLOYD COUNTY PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS
(Continued)

8. If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

SUPPORTING DOCUMENTATION

A payment made on October 15, 2014, to the financial institution that issued a credit card to the Library included a \$615 charge that did not have supporting documentation to support the payment.

Due to the lack of supporting information, we could not verify the purpose of the disbursement.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

PENALTIES, INTEREST, AND OTHER CHARGES

The Library paid a penalty of \$127 to the Indiana Department of Revenue on March 31, 2015, for failure to timely file their annual Zero Sales Tax Return for 2013.

The Library paid finance charges to a credit card vendor in the amount of \$165 for failure to remit payments in a timely manner.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

NEW ALBANY - FLOYD COUNTY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on March 16, 2016, with Jerry Payton, Board member; Pamela Poe, Board member; Gabrielle Carr, Treasurer; Roger Whaley, former Treasurer; Deborah M. Beckham, former Treasurer; Carolyn Gerton, former Treasurer; and Melissa Merida, Director.