

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

COMPLIANCE REPORT

OF

JACKSON TOWNSHIP

SPENCER COUNTY, INDIANA

January 1, 2012 to December 31, 2015



**FILED**

03/07/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Sandra Kay Bender	01-01-11 to 12-31-18
Chairman of the Township Board	Nora Bracher James Anderson	01-01-12 to 12-31-14 01-01-15 to 12-31-17



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF JACKSON TOWNSHIP, SPENCER COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Jackson Township (Township), Spencer County, for the period January 1, 2012 to December 31, 2015, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The 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.

The Annual Financial Reports filed by the Township can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

January 19, 2017

JACKSON TOWNSHIP, SPENCER COUNTY  
RESULTS AND COMMENTS

***BANK ACCOUNT RECONCILIATIONS***

Depository reconciliations of the fund balances to the bank account balances were not presented for examination for any of the months in 2012, 2013, 2014, and 2015.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

***OPTICAL IMAGE OF CHECKS***

The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks. The back side or endorsement side of the checks was not returned.

Indiana Code 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
- (2) remains accessible for later reference. . . .

(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic records of the information on the front and back of the check in accordance with subsection (a). . . ."

***APPROPRIATIONS***

The records presented indicated the Township fund disbursements exceeded the budgeted appropriations by \$1,424.20 in 2013.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

***APPROVAL OF SALARIES***

The Township Board did not establish the salaries of the Township officials and employees for the years 2013, 2014, and 2015.

JACKSON TOWNSHIP, SPENCER COUNTY  
RESULTS AND COMMENTS  
(Continued)

Indiana Code 36-6-6-10(b) states in part:

"The township legislative body shall fix the:

- (1) salaries;
- (2) wages . . .

of all officers and employees of the township."

***INACCURATE WAGES REPORTED ON FORM W-2***

The wages reported on the W-2 issued for 2015 did not agree with the actual amount paid to the Trustee. Wages reported on the W-2 were \$3,500 and actual wages paid were \$4,000.

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

***PAYMENTS NOT IN ACCORDANCE WITH CONTRACT***

In 2013 and 2015, payments were made to a volunteer fire department which were in addition to the Township's fire protection contract and were not supported by a written contract or amendment to the original fire contract.

Payments made or received for contractual services must be supported by a written contract. Each unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

***INACCURATE FORM 100-R***

The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate for 2012, 2013, 2014, and 2015. Compensation for some officers and employees was understated from \$53.32 to \$713.76 or overstated from \$392 to \$526.44.

Indiana Code 5-11-13-1(a) states in part:

"Every state, county, city, town township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents. . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts. . . ."

JACKSON TOWNSHIP, SPENCER COUNTY  
RESULTS AND COMMENTS  
(Continued)

***FAILURE TO ESTABLISH TOWNSHIP ASSISTANCE STANDARDS***

For 2012, 2013, 2014, and 2015, the Township did not establish Township Assistance Standards as required by state statute.

Indiana Code 12-20-5.5-1 states:

"(a) The township trustee shall process all applications for township assistance according to uniform written standards and without consideration of the race, creed, nationally, or gender of the applicant or any member of the applicant's household.

(b) The township's standards for the issuance of township assistance and the processing of applications must be:

- (1) governed by the requirements of this article;
- (2) proposed by the township trustee, adopted by the township board, and filed with the board of county commissioners;
- (3) reviewed and updated annually to reflect changes in the cost of basic necessities in the township and changes in the law;
- (4) published in a single written document, including addenda attached to the document; and
- (5) posted in a place prominently visible to the public in all offices of the township trustee where township applications are taken or processed."

***NEPOTISM POLICY***

The Township did not have a Nepotism Policy for 2012 and 2013.

Indiana Code 36-1-20.2-9(a) states in part: "This chapter establishes minimum requirements regarding employment of relatives. The legislative body of the unit shall adopt a policy that includes, at a minimum, the requirements set forth in this chapter. . . ."

***ANNUAL NEPOTISM CERTIFICATION***

Each elected officer did not certify in writing that the officer had not violated the Township's Nepotism Policy by December 31, 2012, 2013, 2014, and 2015.

Indiana Code 36-1-20.2-16 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer has not violated this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

JACKSON TOWNSHIP, SPENCER COUNTY  
RESULTS AND COMMENTS  
(Continued)

**CONTRACTING POLICY**

The Township did not have a Contracting Policy for 2012 and 2013.

Indiana Code 36-1-21-4(a) states in part: "This chapter establishes minimum requirements regarding contracting with a unit. The legislative body of the unit shall adopt a policy that includes, at a minimum, the requirements set forth in this chapter. . . ."

**ANNUAL CONTRACTING POLICY CERTIFICATION**

Each elected officer did not certify in writing that the officer had not violated the Township's Contracting With a Unit by December 31, 2012, 2013, 2014, and 2015.

Indiana Code 36-1-21-6 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer is in compliance with this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

**LATE FILING OF FORM 100-R**

The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) for 2012 was not filed with the Indiana State Board of Accounts until March 14, 2013, which was 42 days past the due date.

Indiana Code 5-11-13-1(a) states in part:

"Every state, county, city, town township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

JACKSON TOWNSHIP, SPENCER COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on January 19, 2017, with Sandra Kay Bender, Trustee.