

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

COMPLIANCE REPORT

OF

JACKSON TOWNSHIP

FOUNTAIN COUNTY, INDIANA

January 1, 2010 to December 31, 2016



**FILED**  
05/25/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Richard L. Rodgers (deceased) Sharon Rodgers	01-01-07 to 12-31-14 01-01-15 to 12-31-18
Chairman of the Township Board	Norma McManomy John Covault	01-01-10 to 12-31-10 01-01-11 to 12-31-17



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF JACKSON TOWNSHIP, FOUNTAIN 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), Fountain County, for the period January 1, 2010 to December 31, 2016, 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 non-compliance 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 Results and Comments, incorporated within this report, was not verified for accuracy.

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

March 15, 2017

JACKSON TOWNSHIP, FOUNTAIN COUNTY  
RESULTS AND COMMENTS

**ANNUAL REPORT**

*Filing the Annual Financial Report*

Annual Financial Reports were not filed electronically by March 1 as follows:

<u>Report Years</u>	<u>Date Filed</u>	<u>Number of Days Late</u>
2010	03-07-11	6
2011	03-19-12	18
2012	03-07-13	6
2014	04-21-15	51
2015	06-22-16	113
2016	03-15-17	14

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

*Publishing the Abstract Report*

Documentation was not presented to verify that the abstract reports were published in accordance with Indiana Code 36-6-4-13.

Indiana Code 36-6-4-13(b) states:

"Within four (4) weeks after the third Tuesday following the first Monday in February, the executive shall publish the abstract prescribed by subsection (a) in accordance with IC 5-3-1. The abstract must state that a complete and detailed annual report and the accompanying vouchers showing the names of persons paid money by the township have been filed with the county auditor, and that the chairman of the township legislative body has a copy of the report that is available for inspection by any taxpayer of the township."

**DEPOSITS NOT MADE TIMELY**

Duplicate deposit tickets were not presented. Based upon the bank statements, receipts were deposited later than the first and fifteenth of the month. The Township did not make deposits within 15 days of the collection date as follows:

JACKSON TOWNSHIP, FOUNTAIN COUNTY  
RESULTS AND COMMENTS  
(Continued)

<u>Years Examined</u>	<u>Total Number of Deposits Made</u>	<u>Collections Held over 15 Days</u>	<u>Range of Number of Days Held</u>
2010	18	12	4 to 78
2011	4	8	3 to 71
2012	16	11	7 to 71
2013	15	13	8 to 82
2014	17	14	1 to 88
2015	14	13	14 to 121
2016	16	15	12 to 177

Indiana Code 5-13-6-1(c) states in part: ". . . The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month. . . ."

**RECORDS NOT PRESENTED**

Supporting documentation for disbursements was not presented for 2010 through 2014.

Applications for Township Assistance were not presented for 2010 through 2016.

Indiana Code 5-15-6-3 states:

"No financial records or records relating to financial records shall be destroyed until the earlier of the following actions:

- (1) The audit of the records by the state board of accounts has been completed, report filed and any exceptions set out in the report satisfied.
- (2) The financial record or records have been copied or reproduced in accordance with a retention schedule or with the written consent of the administration."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination 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 for Townships, Chapter 1)

**CONTRACTS**

Payments made for mowing services for the years 2010 through 2014, and for the Township attorney for 2010 through 2016 were not supported by written contract.

Each year examined \$3,200 was paid to the Fire Department for clothing allowance, but there was not a contract or invoices to detail how the clothing allowance was distributed.

JACKSON TOWNSHIP. FOUNTAIN COUNTY  
RESULTS AND COMMENTS  
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Invoices were not provided to support payments made to the Township attorney.

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)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination 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 for Townships, Chapter 1)

***APPROVAL OF SALARIES***

The Township Board did not establish the salaries of Township officers and employees.

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

"The township legislative body shall fix the:

- (1) salaries;
- (2) wages;
- (3) rates of hourly pay; and
- (4) remuneration other than statutory allowances;

of all officers and employees of the township."

***PAYROLL TAXES, REPORTS, AND REMITTANCES***

Federal Wage and Tax Forms (Form W-2s) were not presented for 2010 through 2014.

Federal Forms 1099 Miscellaneous Income were not issued in 2010 through 2016.

Employer's Quarterly Federal Tax Returns (Form 941's) were not present for any of the required periods, except for the fourth quarter of 2015.

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 for Townships, Chapter 1)

JACKSON TOWNSHIP, FOUNTAIN COUNTY  
RESULTS AND COMMENTS  
(Continued)

**FILING FORM 100-R**

The Township did not timely file Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R) with the Indiana State Board of Accounts as follows:

<u>Report Years</u>	<u>Date Filed</u>	<u>Number of Days Late</u>
2010	04-29-11	88
2011	04-25-12	85
2012	07-05-13	155
2013	03-13-14	41
2014	04-16-15	75
2015	04-14-16	74

The 100-R for 2016 had not been filed as of the date of this report.

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

"Every . . . township . . . shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents in their respective offices, departments, boards, commissions, and institutions, 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. . . ."

**TOWNSHIP ASSISTANCE STANDARDS**

The Township Board did not establish Township Assistance Standards.

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, nationality, 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;

JACKSON TOWNSHIP, FOUNTAIN COUNTY  
RESULTS AND COMMENTS  
(Continued)

- (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 assistance applications are taken or processed."

**NEPOTISM POLICY AND CERTIFICATION**

The Township did not present a Nepotism Policy for the period.

Each elected officer did not annually certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31.

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. . . ."

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."

**CONTRACTING POLICY AND CERTIFICATION**

The Township did not present a Contracting Policy for the period.

Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31.

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. . . ."

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."

JACKSON TOWNSHIP, FOUNTAIN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 15, 2017, with Sharon Rodgers, Trustee.