

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

COMPLIANCE REPORT

OF

GREER TOWNSHIP

WARRICK COUNTY, INDIANA

January 1, 2012 to December 31, 2016



FILED
05/31/2017

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Results and Comments:	
Condition of Records	4
Appropriations.....	4
Advance Payments.....	4-5
Payroll Deductions.....	5
Form W-2 Errors	5
100-R Report Errors	5
Donations.....	6
Penalties, Interest, and Other Charges	6
Township Assistance Applications	6
Township Assistance Standards	6-7
Nepotism Certification	7
Contracting with a Unit Certification	7
Exit Conference.....	8

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Gwendolyn Putler (deceased)	01-01-11 to 08-28-13
	(Vacant)	08-29-13 to 10-20-13
	Michelle Johnson	10-21-13 to 12-31-14
	Deborah A. English	01-01-15 to 12-31-18
Chairman of the Township Board	Elizabeth A. Pfingston	01-01-12 to 12-31-14
	Carl Nicholson	01-01-15 to 12-31-15
	Elizabeth A. Pfingston	01-01-16 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF GREER TOWNSHIP, WARRICK COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Greer Township (Township), Warrick County, for the period January 1, 2012 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 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 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

April 12, 2017

GREER TOWNSHIP, WARRICK COUNTY
RESULTS AND COMMENTS

CONDITION OF RECORDS

As of December 31, 2016, the depository reconciliation of the Total All Funds cash balance to the bank account balance was reconciled; however, the total of the individual funds' cash balances did not agree with the Total All Funds cash balance. The total cash balance of the individual funds was \$15,083.44 more than the Total All Funds cash balance.

In reviewing the financial transactions in the Townships Ledger, the following errors were noted which accounted for some of the difference:

1. Mathematical errors in posting transactions.
2. Monthly and yearly totals for some years were not totaled correctly.
3. Balances not carried forward properly.
4. Checks written not posted to an individual fund.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

APPROPRIATIONS

The records presented for review indicated the following disbursements in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Township	2014	\$ 2,143.08
Recreation	2014	100.00
Township	2015	1,830.84
Recreation	2015	190.00
Township	2016	3,792.81
Recreation	2016	25.00

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."

ADVANCE PAYMENTS

The Township paid the Trustee and Township Clerk compensation in advance of the actual date the services were provided during 2014. Payments were made up to four months in advance of services performed.

GREER TOWNSHIP, WARRICK COUNTY
RESULTS AND COMMENTS
(Continued)

Compensation and any other payments for goods and services must not be paid in advance of receipt of the goods or services unless specifically authorized by law. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

PAYROLL DEDUCTIONS

Township Board members did not have federal, state, and local taxes withheld or W-2s issued for 2012, 2013, 2014, 2015, and 2016.

The Trustee and Township Clerk were paid without state and local taxes withheld for 2012, 2013, and 2014.

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)

FORM W-2 ERRORS

The wages reported on the W-2s issued for 2012 did not agree with the actual amounts paid to the Trustee and Clerk.

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)

100-R REPORT ERRORS

The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R) was inaccurate for 2012, 2013, and 2014. Differences ranged from the overstating of compensation in the amount of \$1,069 to the understating of compensation in the amount of \$1,812.

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

"Every state, county, city, town, township, or school official, . . . 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 . . . 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. . . ."

GREER TOWNSHIP, WARRICK COUNTY
RESULTS AND COMMENTS
(Continued)

DONATIONS

During the years 2012 through 2016, the Township paid a total of \$19,975 to various community service organizations and schools from the Recreation fund. These expenditures were donations to the local park, recreation summer programs, school after prom/graduation events, elementary school PTA for fall festival, scholarship fund and local programs for the needy. These donations were not approved or budgeted by the Township Board and no contracts or agreements were presented to describe the services provided to the Township.

Public funds cannot be donated or given to other organizations or individuals unless specifically authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

PENALTIES, INTEREST, AND OTHER CHARGES

During the period, the Township paid penalties, interest, and other charges to the Internal Revenue Service and Indiana Department of Revenue in the amounts of \$272.91 and \$46.32, respectively, because the Township did not remit payments on a timely basis.

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 unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

TOWNSHIP ASSISTANCE APPLICATIONS

Township Assistance payments were made without an Application for Township Assistance on file. Township Assistance funds were used to purchase gift cards from grocery stores, food items for a local food bank, food baskets for distribution, and a donation to the local school to give food items to students. No documentation was available to determine if funds were used for persons qualified to receive Township Assistance.

Indiana Code 12-20-6-1(a) states: "A township trustee may not extend aid to an individual or a household unless an application and affidavit setting forth the personal condition of the individual or household had been filed with the trustee within one hundred eighty (180) days before the date aid is extended."

Disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

TOWNSHIP ASSISTANCE STANDARDS

Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.

GREER TOWNSHIP, WARRICK COUNTY
RESULTS AND COMMENTS
(Continued)

Indiana Code 12-20-5.5-1(b) states:

"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 assistance applications are taken or processed."

NEPOTISM CERTIFICATION

The Trustee did not certify in writing that they had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2013, 2014, 2015, and 2016. Each Township Board member did not certify in writing that they had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012, 2013, 2014, 2015, and 2016.

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 WITH A UNIT CERTIFICATION

The Trustee did not certify in writing that they had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2013, 2014, 2015, and 2016. Each Township Board member did not certify in writing that they had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012, 2013, 2014, 2015, and 2016.

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."

GREER TOWNSHIP, WARRICK COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 12, 2017, with Deborah A. English, Trustee.