

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

COMPLIANCE REPORT

OF

HART 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:	
Approval of Salaries	4
Payroll Deductions	4
100-R Report Errors	4
Donations.....	4-5
Transfer to Rainy Day Fund	5
Nepotism Certification	5
Contracting With a Unit Certification	5
Exit Conference.....	6

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Kelly Hall	01-01-11 to 12-31-18
Chairman of the Township Board	C. Royal Hadley	01-01-12 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 HART TOWNSHIP, WARRICK COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Hart 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 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

April 12, 2017

HART TOWNSHIP, WARRICK COUNTY
RESULTS AND COMMENTS

APPROVAL OF SALARIES

The Township Board did not establish the salaries of Township officials and employees for the years 2012, 2013, 2014, 2015, and 2016.

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."

PAYROLL DEDUCTIONS

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

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 and 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, 2014, and 2016. Differences ranged by the overreporting of compensation in the amount of \$3,500 to underreporting of compensation in the amount of \$10.

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 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. . . ."

DONATIONS

During the years 2012 through 2016, the Township paid a total of \$9,100 to various community service organizations and schools from the Recreation fund. These expenditures were donations to the local high school graduating class, after prom events, drama club, recreation summer programs, and community center. These donations were not approved or budgeted by the Township Board.

HART TOWNSHIP, WARRICK COUNTY
RESULTS AND COMMENTS
(Continued)

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

TRANSFER TO RAINY DAY FUND

On December 28, 2016, the Township made a transfer of \$4,954 from the Township Assistance Fund to the Rainy Day Fund. Indiana Code 12-20-1-1 restricts the purpose of Township Assistance funds to providing necessary and prompt relief to the citizens and residents of Indiana.

Indiana Code 12-20-21-3(b) states in part: ". . . The proceeds of the tax levy shall be held by the township in its township assistance account free and available for the payment of township assistance obligations of the township. The funds are continuing funds and do not revert to any other fund at the end of the year."

NEPOTISM CERTIFICATION

The Trustee and Township Board members 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 and Township Board members 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."

HART TOWNSHIP, WARRICK TOWNSHIP
EXIT CONFERENCE

The contents of this report were discussed on April 12, 2017, with Kelly Hall, Trustee, and C. Royal Hadley, Chairman of Township Board.