

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

SPECIAL COMPLIANCE REPORT

OF

TOWN OF ZANESVILLE

WELLS COUNTY, INDIANA

January 1, 2015 to December 31, 2018



FILED
05/04/2020

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STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF ZANESVILLE, WELLS COUNTY, INDIANA

This is a special compliance report for the Town of Zanesville (Town), for the period January 1, 2015 to December 31, 2018, and is in addition to any other report for the Town as required under Indiana Code 5-11-1. All reports pertaining to the Town may be found at www.in.gov/sboa.

We performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts and were limited to records associated with compensation and benefits. The Result and Comment contained herein describes 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 Result and Comment, incorporated within this report, was not verified for accuracy.

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

November 21, 2019

TOWN OF ZANESVILLE
RESULTS AND COMMENTS

COMPENSATION AND BENEFITS

Condition and Context

Julie A. Christian (Christian), Clerk-Treasurer, paid herself additional compensation and benefits, as a vendor, for what we have deemed to be part of her Clerk-Treasurer duties at that time. These duties included lien processing and bookkeeping for the Storm Water Utility. The additional compensation was paid at a rate of \$20 per hour for lien work and a flat fee for bookkeeping during 2015, 2016, 2017, and 2018 in the amounts of \$140, \$210, \$810, and \$670, respectively. Since the Clerk-Treasurer was an employee of the Town and received wages as reported through IRS form W-2, this additional compensation received should have been reported as wages and reported through the W-2 process.

The additional compensation paid to the Clerk-Treasurer was not included in the salary ordinance adopted by the Town Council.

The Clerk-Treasurer receives compensation on a monthly basis, from the 16th of a month through the 15th of the following month. The Clerk-Treasurer received compensation in advance of the pay period ending date 29 times out of the 48 pay periods during the 4-year audit period.

In addition to the noncompliance mentioned previously, the annual compensation certification (100R) to the State Examiner for Christian was under reported due to the omission of the additional compensation.

On November 21, 2019, at the exit conference, the Town informed us there is a separate Storm Water Board that meets and presented the following Storm Water Board minutes:

- (1) Dated November 21, 2017, that stated: "Julie presented a request to be paid for \$500 for her time so far on the Storm Water project, . . . motion carried."
- (2) Dated June 19, 2018, that stated: "Clerk Julie Christian requested a payment of \$300 to cover time she has spent working on the Storm Water accounts . . . motion carried."
- (3) Dated December 18, 2018, that stated: "Clerk/Treasurer Julie Christian requested to be paid \$250 for her work done for the Storm Water Utility . . . motion carried."

Criteria

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 law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

TOWN OF ZANESVILLE
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 Cities and Towns, Chapter 1)

Indiana Code 36-5-3-2(b) states: "The town legislative body shall, by ordinance, fix the compensation of its own members, the town clerk-treasurer, and the town marshal. The legislative body shall provide reasonable compensation for other town officers and employees."

Indiana Code 36-5-3-2(d) states:

"The legislative body may provide that town officers and employees receive additional compensation for services that:

- (1) are performed for the town;
- (2) are not governmental in nature; and
- (3) are connected with the operation of a municipally owned utility or function.

Subject to the approval of the legislative body, the administrative agency operating the utility or function shall fix the amount of the additional compensation, which shall be paid from the revenues of the utility or function."

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 . . . The certification must be filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

We requested Christian to reimburse the Town of Zanesville in the amount of \$1,830. On November 13, 2019, Christian reimbursed the Town \$1,830. (See Summary of Charges, page 7)

TOWN OF ZANESVILLE
EXIT CONFERENCE

The contents of this report were discussed on November 21, 2019, with Julie A. Christian, Clerk-Treasurer, and John Schuhmacher, President of the Town Council.

OFFICIAL RESPONSE

Town of Zanesville
P.O Box 476
Zanesville, IN 46799
260-638-0051
townofzanesville@frontier.com

November 26, 2019

State Board of Accounts
302 West Washington Street, Room E418
Indianapolis, IN 46204-2765

Storm Water Board went on record to approval Julie Christian being paid for storm water book keeping, but failed to put the information in Salary Ordinances. Julie refunded amount to town and then at exit interview provided auditors with Storm Water Minutes showing fund book keeping pay was not provided for in the Salary ordinances, but it was approved by Board in the Storm water minutes. Auditors stated Julie could be reimbursed for \$1050 that was approved in the Storm Water Minutes for 2017 and 2018. Future storm water book keeping pay will be covered in the yearly Salary Ordinance.

Sincerely,

Julie Christian
Zanesville Clerk/Treasurer

TOWN OF ZANESVILLE
SUMMARY OF CHARGES
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Julie A. Christian, Clerk-Treasurer:			
Compensation and Benefits, pages 3 and 4	\$ 1,830		\$
Reimbursed the Town, November 13, 2019	<u> </u>	<u>1,830</u>	<u> </u> -
 Totals	 <u>\$ 1,830</u>	 <u>\$ 1,830</u>	 <u>\$ </u> -

This report was forwarded to the Office of the Indiana Attorney General.