

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

SPECIAL INVESTIGATION REPORT

OF

LUCE TOWNSHIP

SPENCER COUNTY, INDIANA

January 1, 2016 to December 31, 2018



FILED
09/15/2021

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STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

This is a special investigation report for Luce Township (Township), Spencer County, for the period January 1, 2016 to December 31, 2018, and is in addition to any other report for the Township as required under Indiana Code 5-11-1. All reports pertaining to the Township 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. 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.

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

September 1, 2021

LUCE TOWNSHIP, SPENCER COUNTY
RESULTS AND COMMENTS

BACKGROUND

Luce Township (Township) officials became aware that Township funds were used to pay for unauthorized credit card expenses by Sarah Frederick (Frederick), former Trustee, and Angela Beier Ward (Ward), former Township Clerk. In addition, compensation and mileage were overpaid.

Frederick was elected January 1, 2011, and served as Trustee until December 4, 2018. Ward served as Township Clerk from January 1, 1997, until December 31, 2018, and assumed the Trustee duties from December 4, 2018, until December 31, 2018.

The Indiana State Board of Accounts was notified by the Township in accordance with Indiana Code 5-11-1-27. The Indiana State Board of Accounts examined the records and reviewed the accounting of the Township. The following describes noncompliance with statutes or the Accounting and Uniform Compliance Guidelines Manual for Townships.

UNSUPPORTED CREDIT CARD PURCHASES

Numerous purchases were made with Township credit cards for expenses that did not contain supporting documentation or were not related to the Township function. The following was noted regarding credit card purchases:

- Food and drink were purchased at gas stations and restaurants. No notation was included on the receipts identifying the purpose for the purchases.
- Gift cards were purchased without any detail of the purpose.
- Rewards and bonuses for purchases were unable to be located at the Township office or Fire Department.

Unsupported credit card purchases were as follows:

	2016	2017	2018	Totals
Gift Cards	\$ 561.15	\$ 159.38	\$ 449.73	\$ 1,170.26
Miscellaneous	<u>39.99</u>	<u>38.99</u>	<u>19.96</u>	<u>98.94</u>
Totals	<u>\$ 601.14</u>	<u>\$ 198.37</u>	<u>\$ 469.69</u>	<u>\$ 1,269.20</u>

A log containing the names of individuals requesting usage of the card, their position, estimated amounts to be charged, fund and account number to be charged, and the date the card returned was not provided during the investigation.

Resolution 01-2016 Credit Card Policy states:

- The Luce Township Board designates the Luce Township Trustee and the Luce Township Clerk to handle all credit cards and transactions. The designated persons will authorize the purpose of the use of the said credit cards. Once the credit card has been used for the authorized purchase, the card is to be returned to the designated person and kept in the custody of the above persons.

LUCE TOWNSHIP, SPENCER COUNTY
RESULTS AND COMMENTS
(Continued)

- The designated responsible official or employee should maintain an accounting system or log which would include the names of the individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned to the responsible official or employee, along with the original receipt for the approved purchase.
- Payment for all credit card purchases are to be made on the basis of a statement or credit card slip only. All original receipts will be attached to the monthly statement being paid. All credit cards will be paid in full each and every month. Any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee for that month.
- If properly authorized, an annual fee may be paid for the credit card.
- The credit card may not be used to obtain cash.
- Transactions will be accessible in accordance with the Public Records Laws.
- Credit Card Agreements should not contain references to debt.
- Credit Card bills must be paid by township check, not automatic withdrawal.
- Any rewards bonuses are township property.

Indiana Code 5-11-10-1 states in part:

". . . (b) No warrant or check shall be drawn by a disbursing officer in payment of any claim unless the same has been fully itemized and its correctness properly certified to by the claimant or some authorized person in the claimant's behalf, and filed and allowed as provided by law. . . .

(d) The disbursing officer shall issue checks or warrants for all claims which meet all of the requirements of this section. The disbursing officer does not incur personal liability for disbursements:

- (1) processed in accordance with this section; and
- (2) for which funds are appropriated and available.

(e) The certificate provided for in subsection (b) must be in the following form:

I hereby certify that the foregoing account is just and correct, that the amount claimed is legally due, after allowing all just credits, and that no part of the same has been paid."

The Indiana State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria were observed:

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.

LUCE TOWNSHIP, SPENCER COUNTY
RESULTS AND COMMENTS
(Continued)

2. Issuance and use should be handled by an official or employee designated by the board.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
8. If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Frederick and Ward, jointly and severally, were requested to reimburse the Township in the amount of \$1,269.20 for unsupported credit card purchases. (See Summary of Charges, page 36)

TRUSTEE PERSONAL CELL PHONE REIMBURSEMENTS

Frederick was issued a Township cell phone for 2016, 2017, and 2018. In addition, Township checks totaling \$4,009.50 were issued to Frederick for reimbursement of her personal cell phone expenses. The Township did not have a written cell phone policy. In addition, Frederick's Township cell phone was not turned in on her last day worked. Township checks issued for personal cell phone expenses were as follows:

LUCE TOWNSHIP, SPENCER COUNTY
RESULTS AND COMMENTS
(Continued)

Check Number	Check Date	Check Amount	Check Memo Description	
14998	05-12-16	\$ 220.00	Phone and Mileage	*
15264	09-07-16	364.58	Phone and Mileage	*
15350	10-17-16	117.68	Phone and Mileage	*
15653	03-15-17	261.28	Phone Reimbursement	
15830	06-07-17	135.00	Phone Reimbursement	
15892	07-10-17	204.98	Phone Reimbursement	
15994	08-25-17	338.00	Phone Reimbursement	
16084	10-10-17	169.00	Phone Reimbursement	
16148	11-07-17	169.00	Phone Reimbursement	
16218	12-09-17	169.00	Phone Reimbursement November	
CC108	01-04-18	169.00	Phone Reimbursement	
16519	02-01-18	169.00	Phone	
16314	04-05-18	169.00	Phone Reimbursement	
16374	05-10-18	169.99	Phone Reimbursement	
16406	05-29-18	169.00	Phone	
16662	06-27-18	169.99	Phone	
16459	08-07-18	169.00	Phone	
16493	08-27-18	169.00	Phone Reimbursement	
16763	10-03-18	169.00	Phone	
16809	10-31-18	169.00	Phone	
17047	11-27-18	<u>169.00</u>	Phone	
Total		<u>\$ 4,009.50</u>		

*The check memo stated phone and mileage, check amount listed here is phone only.

Using Township funds to pay for personal use of telephone, cell phone, or internet services without a documented and approved Township policy may be the personal obligation of the responsible official or employee. (Township Bulletin and Uniform Compliance Guidelines, December 2017)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the unit. Any personal expenses 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)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Frederick was requested to reimburse the Township in the amount of \$4,009.50 for personal cell phone reimbursements. (See Summary of Charges, page 36)

LUCE TOWNSHIP, SPENCER COUNTY
RESULTS AND COMMENTS
(Continued)

CLERK PERSONAL CELL PHONE REIMBURSEMENTS

Ward was issued a Township cell phone for 2016, 2017, and 2018. In addition, Township checks totaling \$1,842.38 were issued to Ward for reimbursement of her personal cell phone expenses. The Township did not have a written cell phone policy. Additionally, Ward's Township cell phone was not turned in on her last day worked. Township checks issued for personal cellphone expenses were as follows:

Check Number	Check Date	Check Amount	Check Memo Description
14849	02-18-16	\$ 307.92	Phone Reimbursement
15701	04-05-17	254.64	Phone Reimbursement
15832	06-07-17	254.82	Phone Reimbursement
16007	08-30-17	172.86	Phone
16126	11-02-17	228.47	Phone Reimbursement
16560	02-27-18	127.32	Phone Reimbursement
16349	04-26-18	189.30	Phone
16600	06-25-18	210.19	Phone Reimbursement
16503	08-27-18	<u>96.86</u>	Phone Reimbursement
Total		<u>\$ 1,842.38</u>	

Using Township funds to pay for personal use of telephone, cell phone, or internet services without a documented and approved Township policy may be the personal obligation of the responsible official or employee. (Township Bulletin and Uniform Compliance Guidelines, December 2017)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the unit. Any personal expenses 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)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Ward was requested to reimburse the Township \$1,842.38 for personal cell phone reimbursements. (See Summary of Charges, page 36)

OVERPAYMENT OF COMPENSATION TO FREDERICK

A similar comment appeared in prior Report B48903, entitled *OVERPAYMENT OF COMPENSATION*.

Frederick received \$17,326.92 in compensation in 2016. The 2016 approved salary resolution and budget for the Trustee was \$17,000, resulting in overpayment totaling \$326.92.

LUCE TOWNSHIP, SPENCER COUNTY
RESULTS AND COMMENTS
(Continued)

Indiana Code 36-6-6-10(b), effective July 1, 2013 to June 30, 2019, 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."

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 Townships, Chapter 1)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Frederick was requested to reimburse the Township \$326.92 for overpayment of compensation. (See Summary of Charges, page 36)

OVERPAYMENT OF COMPENSATION TO WARD

A similar comment appeared in prior Report B48903, entitled *OVERPAYMENT OF COMPENSATION*.

Ward received a total overpayment of \$2,818.45 in excess of the salaries approved by the Township Board in the salary resolutions for 2016 and 2017. A comparison of the compensation paid to the approved compensation is detailed in the following table:

Position	Year	Total Compensation Paid	Approved Salary Ordinance	Approved Budget	Overpaid
Recreation Supervisor	2016	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00
Fire Clerk	2016	13,131.00	13,000.00	13,000.00	131.00
Recreation Supervisor	2017	1,200.00	-	-	1,200.00
Township Clerk	2017	22,258.11	22,000.00	22,000.00	258.11
Township Janitor	2017	4,069.24	4,000.00	4,000.00	69.24
Fire Janitor	2017	4,069.24	4,000.00	4,000.00	69.24
Township Assistance Investigator	2017	5,090.86	5,000.00	5,000.00	90.86
Total Overpaid					<u>\$ 2,818.45</u>

LUCE TOWNSHIP, SPENCER COUNTY
RESULTS AND COMMENTS
(Continued)

Indiana Code 36-6-6-10(b), effective July 1, 2013 to June 30, 2019, 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."

In addition, timecards were not presented for audit for all hourly employees.

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 Townships, Chapter 1)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Ward was requested to reimburse the Township in the amount of \$2,818.45 for overpayment of compensation. (See Summary of Charges, page 36)

OVERPAYMENT OF MILEAGE TO FREDERICK

Frederick was paid mileage for inspecting cemeteries and the ballfield in 2016, 2017, and 2018. The Township did not have a written travel or mileage policy. The budget for 2016, 2017, and 2018 did not include a budget line item for mileage or travel. The following were noted regarding mileage claims filed:

- The correct mileage rate was not always used.
- The mileage claim forms were not properly completed. The forms did not contain a detailed start and finish point or address and did not contain odometer readings as required.
- Mileage was inflated and not always correct. At the beginning of 2016, the round-trip mileage for inspecting cemeteries and the ballfield was recorded as 30 miles for Frederick. Beginning in June 2016 and continuing through 2018, the round-trip mileage increased to 40 miles round trip for Frederick. The current Trustee and field examiner drove the route and determined the round trip was 21 miles.
- Mileage was paid in advance.

LUCE TOWNSHIP, SPENCER COUNTY
RESULTS AND COMMENTS
(Continued)

Overpayment of mileage was recalculated as follows:

Year	Cemetery Ballfield Mileage Paid	Recalculated	Mileage Overpaid
2016	\$ 1,243.60	\$ 666.54	\$ 577.06
2017	1,945.60	1,029.42	916.18
2018	<u>1,497.20</u>	<u>726.18</u>	<u>771.02</u>
Totals	<u>\$ 4,686.40</u>	<u>\$ 2,422.14</u>	<u>\$ 2,264.26</u>

Indiana Code 36-6-8-3(b) states:

"The township executive is entitled to a sum for mileage in the performance of official duties equal to the sum per mile paid to state officers and employees. However, this subsection does not apply when the township executive uses a township vehicle in the performance of official duties."

Each unit must adopt a written travel policy in conformity with applicable laws. Reimbursement for lodging and meals must be based upon actual receipts for amounts paid unless otherwise authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Mileage Claim Form Number 101 shall be properly completed, listing dates of authorized travel, details of travel, miles travel, nature of business, etc., for reimbursements for mileage before payment is made. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Frederick was requested to reimburse the Township in the amount of \$2,264.26 for overpayment of mileage. (See Summary of Charges, page 36)

OVERPAYMENT OF MILEAGE TO WARD

Ward was paid mileage for trips to purchase supplies and for inspecting cemeteries and the ballfield in 2016, 2017, and 2018. The Township did not have a written travel or mileage policy. The budget for 2016, 2017, and 2018 did not include a budget line item for mileage or travel. The following were noted regarding mileage claims filed:

- The correct mileage rate was not always used.
- The mileage claim forms were not properly completed. The forms did not contain a detailed start and finish point or address and did not contain odometer readings.
- Mileage was inflated and not always correct. At the beginning of 2016, the round-trip mileage for inspecting cemeteries and the ballfield was recorded at 30 miles for Ward. Beginning in February 2017 and continuing through 2018, round trip mileage increased to 40 miles for Ward. The current Trustee and field examiner drove the route and determined the round trip was 21 miles. The round-trip mileage for trips to purchase supplies was also inflated.

LUCE TOWNSHIP, SPENCER COUNTY
RESULTS AND COMMENTS
(Continued)

Overpayment of mileage was recalculated as follows:

<u>Year</u>	<u>Supplies Mileage Paid</u>	<u>Supplies Mileage Recalculated</u>	<u>Supplies Mileage Overpaid</u>	<u>Mileage Overpaid</u>
2016	\$ 1,617.02	\$ 1,156.50	\$ 460.52	
2017	1,396.12	960.64	435.48	
2018	<u>1,223.22</u>	<u>893.38</u>	<u>329.84</u>	
				<u>\$ 1,225.84</u>

<u>Year</u>	<u>Cemetery Ballfield Mileage Paid</u>	<u>Cemetery Ballfield Mileage Recalculated</u>	<u>Cemetery Ballfield Mileage Overpaid</u>	
2016	\$ 1,020.04	\$ 703.50	\$ 316.54	
2017	1,143.42	569.62	573.80	
2018	<u>549.86</u>	<u>289.94</u>	<u>259.92</u>	
				<u>1,150.26</u>

	<u>\$ 2,376.10</u>
Total Overpaid Mileage	<u>\$ 2,376.10</u>

Each unit must adopt a written travel policy in conformity with applicable laws. Reimbursement for lodging and meals must be based upon actual receipts for amounts paid unless otherwise authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Mileage Claim Form Number 101 shall be properly completed, listing dates of authorized travel, details of travel, miles travel, nature of business, etc., for reimbursements for mileage before payment is made. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Ward was requested to reimburse the Township in the amount of \$2,376.10 for overpayment of mileage. (See Summary of Charges, page 36)

PENALTIES, INTEREST, AND OTHER CHARGES

The same comment also appeared in prior Report B48903.

The Township paid penalties, interest, and other charges to various vendors because Frederick did not properly or timely remit payments:

<u>Year</u>	<u>Amount</u>
2016	\$ 42.37
2017	140.17
2018	<u>140.61</u>
Total	<u>\$ 323.15</u>

LUCE TOWNSHIP, SPENCER COUNTY
RESULTS AND COMMENTS
(Continued)

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 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 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)

Frederick was requested to reimburse the Township in the amount of \$323.15 for penalties, interest, and other charges. (See Summary of Charges, page 36)

PAYMENTS FOR TOWNSHIP SERVICES

A similar comment appeared in prior Report B48903, entitled *PAYMENTS TO TOWNSHIP CLERK AND PAYMENTS TO RELATIVES*.

In addition to her Township Clerk duties, Ward was paid as Township and Fire Department Janitor as approved by the Township Board in accordance with the Salary Resolution. However, Ward received additional payments for cleaning services under a contract with the Township Trustee. Ward also received payments under the contract for cemetery and ballfield maintenance and repair. As an employee of the Township, Ward should have had all her compensation approved by the Township Board in the Salary Resolution and received a W-2 as an employee, not both a W-2 and a 1099.

For 2016, the contract payments made to Ward were not reported on Form 1099-MISC. For 2017 and 2018, the payments to Ward were reported on 1099-MISC; however, the amounts were underreported by \$1,700 in 2017, and by \$125 in 2018.

The invoices submitted by Ward for the contract work were not detailed, did not contain a rate of pay, did not have the actual or total hours worked for performing the services, did not contain the signature of the Trustee approving the invoices for payment, and many of the invoices did not contain the date the services were performed. We were unable to determine that the contract work was not completed during Township and Fire Department work hours.

Additionally, payments were made to other individuals, including relatives of Ward for cemetery maintenance and repair, ballfield maintenance and repair, mowing, and cleaning services as follows:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	
Ward	\$ 6,525.00	\$ 7,750.00	\$ 6,625.00	\$ 20,900.00
Spouse	20,300.00	29,100.00	44,150.00	93,550.00
Relative 1	25,008.00	28,525.00	2,100.00	55,633.00
Relative 2	200.00	-	-	200.00
Relative 3	-	400.00	12,225.00	12,625.00
Relative 4	-	-	<u>3,786.50</u>	<u>3,786.50</u>
	45,508.00	58,025.00	62,261.50	165,794.50
Other Individuals	<u>12,035.00</u>	<u>12,725.00</u>	<u>12,020.00</u>	<u>36,780.00</u>
Totals	<u>\$ 64,068.00</u>	<u>\$ 78,500.00</u>	<u>\$ 80,906.50</u>	<u>\$ 223,474.50</u>

LUCE TOWNSHIP, SPENCER COUNTY
RESULTS AND COMMENTS
(Continued)

The payments made to four out of five individuals in 2016 were not reported on Form 1099-MISC, and one incorrectly reported, resulting in \$53,923 being underreported. For 2017, one individual paid was not reported on Form 1099-MISC, resulting in \$1,155 being underreported. For 2018, the payments to these individuals were reported on Form 1099-MISC; however, the amounts were underreported by \$5,011.50.

The contracts stated, "Luce Township will pay the Contractor after the job is completed, compensation will be determined by the Trustee and will depend on the job being performed." There was no schedule or approved document that the Trustee had set compensation for contracting work. Invoices did not always contain the signature of the Trustee.

Ward had the ability to pay these individuals and record the transactions in the software accounting system. In doing so, Ward was able to post the transactions to line items not always related to the actual expenditure. As a result, the annual report filed did not always reflect the actual line item expenditure. Due to the amounts paid to these individuals for Township services, additional appropriations were received so the budget in total was not overspent.

Indiana Code 36-6-6-10(b), effective July 1, 2013 to June 30, 2019, 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."

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 Townships, Chapter 1)

Indiana Code 5-11-9-4(b) states:

"The state board of accounts shall require that records be maintained showing which hours were worked each day by officers and employees:

- (1) covered by section 1 or 2 of this chapter; and
- (2) employed by more than one (1) public agency or in more than one (1) position by the same public agency described in section 1 or 2 of this chapter."

LUCE TOWNSHIP, SPENCER COUNTY
RESULTS AND COMMENTS
(Continued)

The federal Fair Labor Standards Act (FLSA) requires that records of wages paid, daily and weekly hours of work, and the time of day and day of week on which the employee's work week begins be kept for all employees. These requirements can be met by use of the following prescribed general forms:

General Form 99A, Employee's Service Record

General Form 99B, Employee's Earnings Record

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Indiana Code 36-6-6-9(d) states: "Any fund expended, in whole or in part, for a purpose for which it was not appropriated shall be considered unexpended and in the control of the executive, who is liable on the executive's bond for such an expenditure."

Indiana Code 6-1.1-18-4 states: "Except as otherwise provided in this chapter, 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."

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 Manual for Township, Chapter 1)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

SPECIAL INVESTIGATION COSTS

The State of Indiana incurred additional costs due to the special investigation of the Township records.

Indiana Code 5-11-1-27(m) states in part:

"If the attorney general institutes civil proceedings related to this section or under IC 5-11-5-1, the attorney general shall seek, in addition to the recovery of any funds misappropriated, diverted, or unaccounted for, restitution of: . . .

(1) costs incurred by the state board of accounts; . . ."

Audit costs incurred because of poor records, nonexistent records, or any other inadequate book-keeping practices, or because of theft or a shortage may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Frederick and Ward, jointly and severally, were requested to reimburse the State of Indiana \$15,229.96 for special investigation costs. (See Summary of charges, page 36)

LUCE TOWNSHIP, SPENCER COUNTY
RESULTS AND COMMENTS
(Continued)

INTERNAL CONTROLS

Frederick, who served as the Township executive and the Township fiscal officer, was responsible for all aspects of the Township financial activity. This included receiving and depositing funds, reconciling, preparing and issuing checks, recording financial transactions, reporting and monitoring budget compliance. However, Frederick gave control over of these responsibilities to Ward. There was little or no oversight of Township financial activity on an ongoing basis by the Trustee or another individual.

Due to the lack of oversight and lack of segregation of duties, salary overpayments, purchases not related to the function and purpose of the Township, payments of personal cell phone expenses, incorrect mileage reimbursements and the payment of penalties and interest were able to occur and not be identified timely.

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual: *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. These standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

INVESTIGATION BY LAW ENFORCEMENT

An investigation of the Township's activity has also been conducted by the Indiana State Police.

OFFICIAL BOND

The following is information regarding official bonds obtained by the Township:

	Period	Amount
Sarah Frederick	01-01-16 to 12-31-16	\$ 30,000
Angela Beier	01-01-16 to 12-31-16	15,000
Sarah Frederick	01-01-17 to 12-31-17	30,000
Angela Beier	01-01-17 to 12-31-17	15,000
Sarah Frederick	01-01-18 to 12-31-18	30,000
Angela Beier Ward	01-01-18 to 12-31-18	15,000

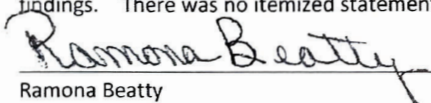
LUCE TOWNSHIP, SPENCER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 1, 2021, with Bonnie Young, Trustee; William R. Garrett, Board Member; Sarah L Frederick, Board Member/former Trustee; Ramona Beatty, Board Member; and Jaime Jones, Township Clerk.

September 7, 2021

Official Response and Supporting Documentation

1. Unsupported Credit Card Purchases - all supporting documents were attached to every single check written. Apparently, the documents were removed from the check copies after the current Trustee took office. Gift cards were purchased for the Fire Department Christmas gifts for years prior to 2016, 2017 and 2018. The gift cards were purchased by prior trustees as well. Fire Department Christmas parties have been given every year and also by the Current Trustee. There was a log of who used the credit cards and the date and amount of each purchase in the file with the credit card statements when the keys were given to the current Trustee. **This needs to be removed from the report.** The food and drink purchases also had supporting documentation and were for the Fire Department when they were on emergency calls. Frederick and Ward were not the only ones that accessed these credit cards. They were also used by firefighters. **This needs to be removed from the report.**
2. Cell Phone Reimbursements - supporting documentation is attached from the SBOA website stating cell phone reimbursements are acceptable. This was never a problem in previous audits, with previous Trustees. **This needs to be corrected and/or removed.**
3. Over Payment of Salaries - The trustee was NOT overpaid salary in the year 2016. Copies of the 2016 Annual Report is attached showing the total paid to Trustee in 2016 for Salary was \$17,000.00. **This is incorrect information and needs to be removed from the report. See attached 2016 Annual Report with detailed disbursements.**
4. Ward was NOT overpaid on salary for the years 2016 or 2017. 2016 and 2017 annual reports are attached showing Wards salary was paid at the approved amount for the Township (\$22000 Clerk Salary, \$4000 for Township Janitor and \$2000 for insurance reimbursement. Township Assistance Clerk \$5000.00. Ward was paid an hourly rate for Fire Department Clerk not a set salary. The hours worked are reflected on the time sheets that were also in the file for proof when Ward left the office. The Recreation Supervisor pay was covered in the Contract signed by Ward and Frederick. The previous auditor Jon Bennington advised the Trustee and the Clerk to make a contract for any additional pay and work not listed on the Form 17. **This needs to be removed from the report it is incorrect information. See attached 2016 and 2017 Annual Reports with detailed disbursements.**
5. The over payment of mileage is incorrect. Frederick and Ward previously mapped the mileage for all Township Properties. (12 Cemeteries, the Ball field and the Hatfield Fire Department) Did the current Trustee route all of the Township properties, or just a few of the properties? The difference in mileage for the years 2016 and 2017 is because other cemeteries were acquired by the Township and added to the Township property list. **This needs to be corrected and/removed from report.**
6. The previous auditor Jon Bennington advised the Trustee and the Clerk to make a contract for any additional pay not listed on the Form 17. Frederick and Ward followed the previous auditors statement to avoid any conflict in extra pay. **This needs to be removed from the report.**
7. Any under reported salaries were due to a computer program glitch. All the pay was properly entered into the Township computer program. The Township computer generated the W2's, 1099's and the form 100R. **This needs to be removed from the report.**
8. Wards relatives were hired by the Trustee, not by Ward. All amounts paid to relatives were authorized by Frederick not Ward. **THIS IS NOT NEPOTISM. This statement needs to be removed from the report.**
9. Investigation of the Township's activity has also been conducted by the Indiana State Police. The State Police were contacted by the current Trustee and the investigation was conducted only on assumptions of the current Trustee and as a vendetta due to a law suit that was filed against the current Trustee by Ward. **This needs to be removed from the report.**
10. Frederick and Ward should not be responsible for the investigation fees incurred and owed to the SBOA due to false findings. There was no itemized statement provided for the investigation fees.


Ramona Beatty
Chairman of Luce Township Advisory Board

Per Indiana Code 5-11-5-1:

"(b) . . . As part of the review of the examination report, the state examiner shall hold a gathering of the officer or chief executive officer of the state office, municipality, or entity examined, any employees or agents of the state office, municipality, or entity examined who are requested to attend by the officer or chief executive officer of the state office, municipality, or entity examined, and the members of the legislative and fiscal bodies of the municipality or entity examined. Such a gathering is referred to as an "exit conference" for purposes of this subsection. The following apply to an exit conference:

(1) All information discussed and materials presented or delivered by any person during an exit conference are confidential and may not be discussed or shared publicly until the earliest of the occurrences set forth in subsection (g). However, the information discussed and materials presented or delivered during an exit conference may be shared with an officer, employee, consultant, adviser, or attorney of the officer or chief executive officer of the state office, municipality, or entity examined who was not present at the exit conference. An individual with whom information and materials are shared must maintain the confidentiality of the information and materials as provided in this subdivision until the earliest of the occurrences set forth in subsection (g).

(2) An individual attending an exit conference may not electronically record the exit conference.

(3) If a majority of a governing body (as defined in IC 5-14-1.5-2(b)) is present during an exit conference, the governing body shall be considered in an executive session under IC 5-14-1.5. However, the governing body has no obligation to give notice as prescribed by IC 5-14-1.5-5 when it participates in the exit conference. . . ."

(c) Except as provided by subsections (b), (d), and (e), it is unlawful for any person, before an examination report is made public as provided by this section, to make any disclosure of the result of any examination of any public account, except:

(1) to the state examiner;

(2) if directed to give publicity to the examination report by the state examiner or by any court;

(3) to another deputy examiner, field examiner, or private examiner engaged in conducting the examination; or

(4) if directed by the state examiner, to the chair of the audit committee or the members of the audit committee acting in executive session, or both.

If an examination report shows or discloses the commission of a crime by any person, it is the duty of the state examiner to transmit and present the examination report to the prosecuting attorney of the county in which the crime was committed. The state examiner shall furnish to the prosecuting attorney all evidence at the state examiner's command necessary in the investigation and prosecution of the crime. . . .

(g) Except as permitted in this section, the information and materials that are part of an exit conference under subsection (b) and the results of an examination, including a preliminary report under subsection (d), are confidential until the occurrence of the earliest of the following:

- (1) The final report is made public under subsection (a).
- (2) The results of the examination are publicized under subsection (c)(2).
- (3) The attorney general institutes an action under subsection (e) on the basis of the preliminary report.

(h) Except as permitted in this section, an individual, a public agency (as defined in IC 5-14-3-2), a public employee, a public official, or an employee or officer of a contractor or subcontractor of a public agency that knowingly or intentionally discloses information in violation of subsection (b) or (g), regardless of whether the information is received orally or by any other means, is subject to the following:

- (1) A public agency (as defined in IC 5-14-3-2), a public employee, a public official, or an employee or officer of a contractor or subcontractor of a public agency commits a Class A infraction under IC 5-14-3-10.
- (2) If the disclosure is by a person who is not described in subdivision (1), the person commits a Class A infraction.

Ramona Beatty
9-1-2021

**TOWNSHIP BULLETIN
AND UNIFORM COMPLIANCE GUIDELINES
ISSUED BY STATE BOARD OF ACCOUNTS**

Volume 319, Page 1

December 2017

ITEMS TO REMEMBER

DECEMBER

- December 1: On or before June 1 and December 1 of each year (or more frequently if the County Legislative Body adopts an ordinance requiring additional certifications) the Township shall certify a list of the names and addresses of each person who has money due from the Township to the County Treasurer. [IC 6-1.1-22-14]
- December 14: Last day for the Department of Local Government and Finance to accept additional appropriation requests for the 2017 budget year.
- December 25: Legal Holiday - Christmas Day. [IC 1-1-9-1]
- December 31: 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. [IC 5-13-6-1(e)]

JANUARY

- January 1: Legal Holiday - New Year's Day. [IC 1-1-9-1]
- January 1: Set up the Financial and Appropriation Record for the year 2018, by bringing forward the fund (cash) balances at the close of the year 2017 and entering appropriations as finally adopted and approved for 2018.
- January 2: Annual meeting of township board to organize by electing one member as chairman and one member as secretary for the year. (First Tuesday after first Monday in January.) [IC 36-6-6-7]
- January 15: Assessment date for mobile homes defined in IC 6-1.1-7-1. [IC 6-1.1-1-2]
- January 15: Last day to make pension report and payment for fourth calendar quarter by townships participating in PERF.
- January 15: Legal Holiday - Martin Luther King, Jr.'s Birthday. [IC 1-1-9-2]
- January 2-31: Members of the township board are to meet to organize as a township board of finance by electing one member as president and one member as secretary, each for a period of one year. During the annual meeting the investment officer shall make a written report to the investing officer's local board of finance summarizing the township's investments during the previous calendar year. The report must contain the name of each financial institution, government agency or instrumentality, or other person with whom the township invested money during the previous calendar year. The local board of finance shall do the following at the meeting:
- (1) Review the report.
 - (2) Review the overall investment policy of the political subdivision. (After the first Monday and on or before the last day of January.) [IC 5-13-7-6, IC 5-13-7-7]

**TOWNSHIP BULLETIN
and Uniform Compliance Guidelines**

Volume 319, Page 6

December 2017

TOWNSHIP TELEPHONE, CELLULAR, AND INTERNET EXPENSES
(Continued)

Documentation should be retained to provide evidence that the personal phone number has been provided to the public as the contact number for the Township office. Common examples of acceptable documentation would include: a copy of the listing in a telephone directory, signage at the township office or a public building, listing on a governmental unit's website, etc. Using Township funds to pay for personal use of telephone, cell phone, or internet services without a documented and approved Township policy may be the personal obligation of the responsible official or employee.

FAILURE TO REPORT MISAPPROPRIATION OF FUNDS

IC 5-11-1-27(l) states: "A public officer who has actual knowledge of or reasonable cause to believe that there has been a misappropriation of public funds or assets of the public office, including: (1) information obtained as a result of a police report; (2) an internal audit finding; or (3) another source indicating that a misappropriation has occurred; shall immediately send written notice of the misappropriation to the state board of accounts and the prosecuting attorney serving in the area governed by the political subdivision."

If we become aware of instances where a unit has not promptly reported a known misappropriation of funds to our central office by telephone (317) 232-2513, by email schools.townships@sboa.in.gov, or our website <http://in.gov/sboa/4445.htm> we will take exception and place a noncompliance finding in the Township's next audit report.

ANNUAL FINANCIAL REPORT AND 100-R NOT FILED TIMELY

We want to remind all Townships that we will continue our practice of issuing subpoenas to the Trustee if the Certified Personnel Report (100-R) and the Annual Financial Report (AFR) are not filed timely in Gateway. The 100-R is due by January 31st and the AFR is due by March 1st.

The 2017 Annual Financial Report and 100-R must be filed through Gateway. To login to Gateway, please go to <https://gateway.ifionline.org/login.aspx> and enter your Gateway User Name (e-mail address) and Password.

Please be aware that any person who fails to file the Annual Financial Report as required by law commits a Class B infraction and forfeits office. Ind. Code § 5-11-1-10.

Indiana Code 5-11-1-4(a) states in part: "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 . . ."

Please be aware that any person who fails to file the 100R Report as required by law commits a Class C infraction and is subject to impeachment or removal from office. Ind. Code § 5-11-13-3.

Indiana Code 5-11-13-1 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."

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[STATE BOARD OF ACCOUNTS \(/hc/en-us/sections/115001493607-state-board-of-accounts\)](#)

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[Featured Questions](#) +

WHAT PERCENTAGE OF TELEPHONE, CELLULAR, AND INTERNET EXPENSES ARE ALLOWED TO BE REIMBURSED?

2 years ago · Updated

Our prior audit position stated that these services should only be reimbursed up to 50% of the cost of the services if the services were not strictly restricted to Township use. Effective October 5, 2017, we have modified our position in the 2017 December Township bulletin ([page 5](https://www.in.gov/sboa/files/tsb2017_319.pdf)) (https://www.in.gov/sboa/files/tsb2017_319.pdf) that we will take into consideration a personal phone and internet reimbursement policy that is approved by the Township Board. If there is a policy adopted by the Township Board and presented to us that allows the Trustee a full reimbursement of these expenses, even though the use of these services were not restricted to Township use, we would not take exception.

IC 36-6-8-3 (<http://iga.in.gov/legislative/laws/2019/ic/titles/036/#36-6-8-3>) states in part: "The annual appropriation to a township executive for the expenses of renting an office and telephone...expenses must, as nearly as possible, be equal to the actual cost of those items. If the township executive uses a part of the executive's residence for an office, the township legislative body shall appropriate a reasonable sum for that office space."

IC 12-20-5-5-3 (<http://iga.in.gov/legislative/laws/2019/ic/titles/012/#12-20-5-5-3>) states in part: "The township trustee shall ensure adequate access to township assistance services, including a published telephone number in the name of the township."

RESOLUTION RECOMMENDING SALARIES OF TOWNSHIP OFFICERS AND EMPLOYEES

BOYCE FORMS • SYSTEMS 1-800-382-6702 AEB-TR-17 III

BE IT RESOLVED by the Township Board of

Luc Township
Spencer County, Indiana

That pursuant to IC 36-6-6-10(b), the salaries stated below are fixed for the officers and employees of the township for the year 2016

POSITION OF OFFICE	Number of Positions	Rate of Compensation	Per *
Township Trustee Township Duties			
(1) Assessing Duties (not county portion)	1	17000.00	Year
Total for Township Trustee			
Township Clerk	1	17000.00	Year
Members of the Township Board	3	28000.00	Year
Janitor	1	1200.00	Year
Part Time Office	1	4000.00	Year
	2	8.00	Hour
Fire Department Personnel			
Chief	1	2000.00	Year
Assistant Chief	2	1000.00	Year
Captain	6	500.00	Year
Janitor	1	4000.00	Year
Clerk	1	18.00	HR
Poor Relief Personnel			
Supervisors of Other Assistants			
Investigators	1	4000.00	YR
Supervisors of Other Assistants			
Other Assistants			
Other Employees (Detail)			

ADOPTED this 29th day of October, 2015

Attest: Jack L. Furbush
TOWNSHIP TRUSTEE

Bonnie Young
Ramona Beatty
Julia Kempf
MEMBERS OF THE TOWNSHIP BOARD

*Show: per year, per month, per day, etc.

Include in this resolution ALL officers and employees of the township, except elected township assessors and deputies and employees of elected township assessors.

(1) IC 36-6-6-10(e) states "In a township that does not elect a township assessor under IC 36-6-5-1, the township legislative body may appropriate available township funds to supplement the salaries of elected or appointed officers to compensate them for performing assessing duties. However, in any calendar year no officer or employee may receive a salary and additional salary supplements which exceed the salary fixed for that officer or employee under subsection (b)."

RESOLUTION RECOMMENDING SALARIES OF TOWNSHIP OFFICERS AND EMPLOYEES

BOYCE FORMS • SYSTEMS I-800-382-8702 AEB-TR-17 111

BE IT RESOLVED by the Township Board of

Luce Township
Spencer County, Indiana

That pursuant to IC 36-6-6-10(b), the salaries stated below are fixed for the officers and employees of the township for the year 2017

POSITION OF OFFICE	Number of Positions	Rate of Compensation	Per *
Township Trustee Township Duties			
(1) Assessing Duties (not county portion)	1	17780	YR
Total for Township Trustee			
Township Clerk	1	17780	YR
Members of the Township Board	1	22,000	YR
<u>Janitor</u>	3	1200.00	YR
<u>Part Time Office</u>	1	4000.00	YR
		8.50	HR
Fire Department Personnel			
<u>Chief</u>	1	2000.00	YR
<u>Asst Chief</u>	2	1000.00	YR
<u>Captain</u>	6	500.00	YR
<u>Clerk</u>	1	18.50	HR
<u>Janitor</u> Poor Relief Personnel	1	4000.00	YR
Supervisors of Other Assistants			
Investigators	1	5000.00	YR
Supervisors of Other Assistants			
Other Assistants			
Other Employees (Detail)			

ADOPTED this 27th day of October 2017

Attest: [Signature]
TOWNSHIP TRUSTEE

[Signature]
[Signature]
[Signature]
MEMBERS OF THE TOWNSHIP BOARD

*Show: per year, per month, per day, etc.

Include in this resolution ALL officers and employees of the township, except elected township assessors and deputies and employees of elected township assessors.

(1) IC 36-6-6-10(e) states "In a township that does not elect a township assessor under IC 36-6-5-1, the township legislative body may appropriate available township funds to supplement the salaries of elected or appointed officers to compensate them for performing assessing duties. However, in any calendar year no officer or employee may receive a salary and additional salary supplements which exceed the salary fixed for that officer or employee under subsection (b)."

RESOLUTION
ESTABLISHING SALARIES OF TOWNSHIP OFFICERS AND EMPLOYEES

BOYCE FORMS • SYSTEMS 1-800-383-8702 ABB-TR-17 111

BE IT RESOLVED by the Township Board of

Luce Township

Spencer County, Indiana

That pursuant to IC 36-6-6-10(b), the salaries stated below are fixed for the officers and employees of the township year 2018.

POSITION OF OFFICE	Number of Positions	Rate of Compensation	Per
Township Trustee			
Township Clerk	1	17780.00	YR
Members of the Township Board	1	22000.00	YR
Janitor	3	1200.00	YR
Part Time Office Clerk Insurance	1	5000.00	YR
	1	8.50	HR
		2000.00	YR
Recreation Supervisor	1	1200.00	YR
Fire Department Personnel			
Chief	1	2000.00	YR
Asst Chief	2	1000.00	YR
Captain	6	500.00	YR
Clerk	1	18.50	HR
Janitor	1	5000.00	YR
Township Assistance Personnel			
Supervisors of Investigators	1	5000.00	YR
Investigators			
Supervisors of Other Assistants			
Other Assistants			
Other Employees (Detail)			

ADOPTED this 26th (day of October), 20 17.

Attest: Sarah L. Friedman
Township Trustee

Bonnie Young
Lamarie Beatty
Aurika Berry
Members of the Township Board

*Show: per year, per month, per day, etc.

Include in this resolution ALL officers and employees of the township.

Annual Financial Report



Indiana State Board of Accounts

2016

LUCE TOWNSHIP

Spencer County

Submitted on 3/1/2017 1:57:00 PM

Per [IC 5-11-1-4](#) every municipality and local government is required to provide electronically and in a manner prescribed by the state examiner, financial reports for the fiscal year not later than sixty days after the close of the fiscal year.

Completion and submission of the *Gateway Annual Financial Report (AFR)* will fulfill this requirement. This document comprises all of the report outputs generated by Gateway, based on the information entered by the government unit and submitted by the government official as stipulated in state law.

TOWNSHIP FUNDS

Salaries and Wages	\$48,642.00
Other Personal Services	\$2,000.00
Employee Benefits	\$4,263.52
Total Personal Services	\$54,905.52
Office Supplies	\$583.03
Operating Supplies	\$1,407.88
Repair and Maintenance Supplies	\$600.00
Other Supplies	\$2,500.00
Total Supplies	\$5,090.91
Professional Services	\$1,706.25
Communication and Transportation	\$656.46
Insurance	\$3,330.33
Utility Services	\$5,764.92
Repairs and Maintenance	\$1,300.00
Other Services and Charges	\$37,423.40
Total Services and Charges	\$50,181.36
Land	\$4,546.90
Buildings	\$266.97
Machinery, Equipment, and Vehicles	\$934.50
Total Capital Outlays	\$5,748.37

Total TOWNSHIP FUNDS \$115,926.16

POOR RELIEF FUND	Salaries and Wages	\$4,000.00
	Other Personal Services	\$271.17
	Total Personal Services	\$4,271.17
	Other Direct Relief	\$6,101.71
	Total Township Assistance	\$6,101.71

Total POOR RELIEF FUND \$10,372.88

RECREATION	Salaries and Wages	\$4,997.51
	Total Personal Services	\$4,997.51
	Other Supplies	\$3,992.16
	Total Supplies	\$3,992.16
	Other Services and Charges	\$15,665.38
	Total Services and Charges	\$15,665.38
	Other Capital Outlays	\$7,954.15

Total Capital Outlays \$7,954.15

Total RECREATION \$32,609.20

FIRE PROTECTION TERRITORY Salaries and Wages \$19,196.00

Other Personal Services \$4,672.52

Total Personal Services \$23,868.52

Operating Supplies \$15,441.47

Repair and Maintenance Supplies \$16,275.66

Total Supplies \$31,717.13

Insurance \$26,671.17

Other Services and Charges \$27,667.87

Total Services and Charges \$54,339.04

Other Capital Outlays \$625.00

Total Capital Outlays \$625.00

Total FIRE PROTECTION TERRITORY \$110,549.69

FIRE TERRITORY EQUIPMENT REPLACEMENT Other Capital Outlays \$28,393.79

Total Capital Outlays \$28,393.79

Total FIRE TERRITORY EQUIPMENT REPLACEMENT \$28,393.79

PAYROLL DEDUCTIONS Payment of Taxes and Other Payroll Withholdings \$8,487.61

Total Other Disbursements \$8,487.61

Total PAYROLL DEDUCTIONS \$8,487.61

Total Governmental Activities \$306,339.33

Fund Name	Category	Paid To	Amount
TOWNSHIP FUNDS	Personal Services	1142 INTERNAL REVENUE SERVICE	\$4,196.52
	Personal Services	1108 ANGELA BEIER	\$28,000.00
	Personal Services	1129 SARAH FREDERICK	\$17,000.00
	Personal Services	1135 INDIANA DEPT OF REVENUE	\$19.02
	Personal Services	1371 RAMONA BEATTY	\$1,620.00
	Personal Services	1187 BONNIE YOUNG	\$2,822.00
	Personal Services	1136 INDIANA DEPT OF WORKFORCE DEVELOPMENT	\$47.98
	Personal Services	1392 TWILA KEMPF	\$1,200.00
		Total Personal Services	\$54,905.52

Clerk 22,000
 Janitor 4,000
 INS. 2000

Supplies	1179 VISA	\$763.22
Supplies	1145 THE JOURNAL DEMOCRAT	\$291.60
Supplies	1343 MARTIN WINKLER	\$600.00
Supplies	1159 OFFICE DEPOT	\$2,588.91
Supplies	1160 VEOLIA/ADVANCED DISPOSAL	\$92.47
Supplies	1176 TRUE VALUE	\$78.95
Supplies	1173 SPENCER COUNTY LEADER	\$298.54
Supplies	1113 CARD MEMBER SERVICES	\$206.52
Supplies	1212 BOYCE FORMS	\$123.70
Supplies	1166 RICHLAND POSTMASTER	\$47.00
	Total Supplies	\$5,090.91

Services and Charges	1113 CARD MEMBER SERVICES	\$455.27
Services and Charges	1327 L.T.R.S.D.	\$581.28
Services and Charges	1179 VISA	\$1,169.60
Services and Charges	1382 KINCAID INSURANCE	\$3,330.33
Services and Charges	1145 THE JOURNAL DEMOCRAT	\$187.78
Services and Charges	1397 TYCO INTEGRATED SECURITY	\$484.75
Services and Charges	1105 AT & T	\$2,857.02
Services and Charges	1177 VECTREN	\$2,145.09
Services and Charges	1343 MARTIN WINKLER	\$13,800.00
Services and Charges	1167 SAMS CLUB	\$173.52
Services and Charges	1108 ANGELA BEIER	\$7,721.09
Services and Charges	1129 SARAH FREDERICK	\$1,945.86
Services and Charges	1159 OFFICE DEPOT	\$542.10
Services and Charges	1387 WILLIAM WARD	\$8,250.00
Services and Charges	1160 VEOLIA/ADVANCED DISPOSAL	\$395.22
Services and Charges	1196 REO WATER	\$197.65
Services and Charges	1176 TRUE VALUE	\$89.98
Services and Charges	1149 MARTIN SERRIN CO., INC.	\$215.00
Services and Charges	1173 SPENCER COUNTY	\$55.80

LEADER

Services and Charges	1301 DIRECT TV	\$125.98
Services and Charges	1163 RADIO SHACK/AFFINITY COMMUNICATIONS	\$85.98
Services and Charges	1184 JACOB WILHELMUS	\$2,885.00
Services and Charges	1362 BRUCE CISSNA	\$1,968.75
Services and Charges	1384 LOUIS BURCH	\$75.00
Services and Charges	1191 HOOSIER BUSINESS MACHINES	\$161.85
Services and Charges	1140 INDIANA TOWNSHIP ASSOCIATION	\$200.00
Services and Charges	1174 SPENCER COUNTY TREASURER	\$81.46
	Total Services and Charges	\$50,181.36

Capital Outlays	1113 CARD MEMBER SERVICES	\$266.97
Capital Outlays	1343 MARTIN WINKLER	\$725.00
Capital Outlays	1387 WILLIAM WARD	\$3,000.00
Capital Outlays	1401 REPUBLIC SERVICES	\$1,321.90
Capital Outlays	1202 NET RESULTS	\$434.50
	Total Capital Outlays	\$5,748.37

Total TOWNSHIP FUNDS \$115,926.16

POOR RELIEF FUND	Personal Services	1113 CARD MEMBER SERVICES	\$386.86
	Personal Services	1327 L.T.R.S.D.	\$82.00
	Personal Services	1169 SOUTHERN INDIANA REC	\$320.72
	Personal Services	1142 INTERNAL REVENUE SERVICE	\$271.17
	Personal Services	1331 ROCKPORT PHARMACY	\$360.27
	Personal Services	1177 VECTREN	\$3,211.54
	Personal Services	1108 ANGELA BEIER	\$4,000.00
	Personal Services	1196 REO WATER	\$43.66
	Personal Services	1212 BOYCE FORMS	\$248.03
	Personal Services	1202 NET RESULTS	\$434.50
	Personal Services	1300 BUTCH MEYERS	\$525.00
	Personal Services	1192 WALMART PHARMACY	\$63.91
	Personal Services	1200 BUY LOW	\$50.22
	Personal Services	1399 EVELYN HALL	\$375.00
	Total Personal Services	\$10,372.88	

Total POOR RELIEF FUND \$10,372.88

RECREATION	Personal Services	1343 MARTIN WINKLER	\$300.00
	Personal Services	1184 JACOB WILHELMUS	\$2,685.00
	Personal Services	1384 LOUIS BURCH	\$225.00
	Personal Services	1165 JAMES RAPP	\$1,787.51
	Total Personal Services	\$4,997.51	

Supplies	1327 L.T.R.S.D.	\$162.88
Supplies	1169 SOUTHERN INDIANA REC	\$321.41

Supplies	1179 VISA	\$248.59
Supplies	1177 VECTREN	\$702.35
Supplies	1343 MARTIN WINKLER	\$1,950.00
Supplies	1160 VEOLIA/ADVANCED DISPOSAL	\$432.20
Supplies	1196 REO WATER	\$149.25
Supplies	1176 TRUE VALUE	\$25.48
Total Supplies		\$3,992.16

Services and Charges	1327 L.T.R.S.D.	\$266.60
Services and Charges	1169 SOUTHERN INDIANA REC	\$160.00
Services and Charges	1179 VISA	\$1,546.58
Services and Charges	1397 TYCO INTEGRATED SECURITY	\$484.75
Services and Charges	1177 VECTREN	\$180.88
Services and Charges	1343 MARTIN WINKLER	\$4,475.00
Services and Charges	1108 ANGELA BEIER	\$2,150.00
Services and Charges	1387 WILLIAM WARD	\$3,350.00
Services and Charges	1160 VEOLIA/ADVANCED DISPOSAL	\$724.85
Services and Charges	1196 REO WATER	\$119.15
Services and Charges	1176 TRUE VALUE	\$261.24
Services and Charges	1184 JACOB WILHELMUS	\$535.00
Services and Charges	1384 LOUIS BURCH	\$225.00
Services and Charges	1365 AFFINITY INSURANCE	\$986.33
Services and Charges	1305 AUSTIN BALL	\$200.00
Total Services and Charges		\$15,665.38

Capital Outlays	1113 CARD MEMBER SERVICES	\$344.53
Capital Outlays	1179 VISA	\$525.12
Capital Outlays	1400 ZENS RILEY	\$950.00
Capital Outlays	1343 MARTIN WINKLER	\$400.00
Capital Outlays	1387 WILLIAM WARD	\$4,050.00
Capital Outlays	1202 NET RESULTS	\$434.50
Capital Outlays	1398 INDUSTRIAL ELECTRICAL SERVICES	\$1,250.00
Total Capital Outlays		\$7,954.15

Total RECREATION \$32,609.20

FIRE PROTECTION TERRITORY

Personal Services	1260 DENNIS TODD	\$500.00
Personal Services	1142 INTERNAL REVENUE SERVICE	\$672.52
Personal Services	1117 TODD DAMING	\$1,000.00
Personal Services	1108 ANGELA BEIER	\$17,131.00
Personal Services	1188 EVAN YOUNG	\$500.00
Personal Services	1232 HOUSTON JONES	\$165.00
Personal Services	1128 MARK FREDERICK	\$1,100.00
Personal Services	1126 KURTIS FREDERICK	\$500.00
Personal Services	1144 JEFF JONES	\$1,800.00
Personal Services	1189 KENNY YOUNG	\$500.00

Annual Financial Report

INDIANA Gateway for government units



Indiana State Board of Accounts

2017

LUCE TOWNSHIP

Spencer County

Submitted on 2/26/2018 2:48:00 PM

Per [IC 5-11-1-4](#) every municipality and local government is required to provide electronically and in a manner prescribed by the state examiner, financial reports for the fiscal year not later than sixty days after the close of the fiscal year.

Completion and submission of the *Gateway Annual Financial Report (AFR)* will fulfill this requirement. This document comprises all of the report outputs generated by Gateway, based on the information entered by the government unit and submitted by the government official as stipulated in state law.

TOWNSHIP FUNDS

Salaries and Wages	\$49,131.62
Other Personal Services	\$2,000.00
Employee Benefits	\$3,858.68
Total Personal Services	\$54,990.30
Office Supplies	\$800.00
Operating Supplies	\$858.59
Repair and Maintenance Supplies	\$1,600.40
Other Supplies	\$1,845.78
Total Supplies	\$5,104.77
Professional Services	\$2,515.63
Insurance	\$2,976.22
Utility Services	\$8,121.13
Repairs and Maintenance	\$1,836.96
Other Services and Charges	\$48,204.10
Total Services and Charges	\$63,654.04
Land	\$2,990.77
Buildings	\$990.91
Total Capital Outlays	\$3,981.68

Total TOWNSHIP FUNDS **\$127,730.79**

EXCESS LEVY	Transfer Out - Transferred To Another Fund	\$5,047.00
	Total Other Disbursements	\$5,047.00

Total EXCESS LEVY **\$5,047.00**

POOR RELIEF FUND	Salaries and Wages	\$5,000.00
	Employee Benefits	\$383.00
	Total Personal Services	\$5,383.00

Other Direct Relief	\$9,076.62
Total Township Assistance	\$9,076.62

Total POOR RELIEF FUND **\$14,459.62**

RECREATION	Salaries and Wages	\$5,996.80
	Total Personal Services	\$5,996.80

Other Supplies	\$2,973.70
Total Supplies	\$2,973.70

	Other Services and Charges	\$11,489.99
	Total Services and Charges	\$11,489.99
	Other Capital Outlays	\$9,497.92
	Total Capital Outlays	\$9,497.92
Total RECREATION		\$29,958.41
FIRE PROTECTION TERRITORY	Salaries and Wages	\$21,635.45
	Other Personal Services	\$1,000.00
	Employee Benefits	\$1,125.30
	Total Personal Services	\$23,760.75
	Operating Supplies	\$14,628.25
	Repair and Maintenance Supplies	\$24,742.47
	Total Supplies	\$39,370.72
	Insurance	\$23,349.78
	Other Services and Charges	\$30,584.03
	Total Services and Charges	\$53,933.81
	Other Capital Outlays	\$17,913.83
	Total Capital Outlays	\$17,913.83
Total FIRE PROTECTION TERRITORY		\$134,979.11
FIRE TERRITORY EQUIPMENT REPLACEMENT	Other Capital Outlays	\$29,636.46
	Total Capital Outlays	\$29,636.46
Total FIRE TERRITORY EQUIPMENT REPLACEMENT		\$29,636.46
PAYROLL DEDUCTIONS	Payment of Taxes and Other Payroll Withholdings	\$9,706.20
	Total Other Disbursements	\$9,706.20
Total PAYROLL DEDUCTIONS		\$9,706.20
Total Governmental Activities		\$351,517.59

	Services and Charges	1145 THE JOURNAL DEMOCRAT	\$16.28
	Services and Charges	1382 KINCAID INSURANCE	\$2,976.22
	Services and Charges	1176 TRUE VALUE	\$118.95
	Services and Charges	1149 MARTIN SERRIN CO., INC.	\$214.00
	Services and Charges	1140 INDIANA TOWNSHIP ASSOCIATION	\$200.00
	Services and Charges	1416 JOEY FULKS	\$400.00
	Services and Charges	1166 RICHLAND POSTMASTER	\$58.00
	Services and Charges	1320 FREEDOM BANK	\$200.00
		Total Services and Charges	\$63,654.04
	Capital Outlays	1343 MARTIN WINKLER	\$550.00
	Capital Outlays	1387 WILLIAM WARD	\$2,150.00
	Capital Outlays	1108 ANGELA BEATTY WARD	\$250.00
	Capital Outlays	1174 SPENCER COUNTY TREASURER	\$81.46
	Capital Outlays	1179 VISA	\$950.22
		Total Capital Outlays	\$3,981.68
		Total TOWNSHIP FUNDS	\$127,730.79
EXCESS LEVY	Other Disbursements	5206 TRANSFER OF FUNDS	\$5,047.00
		Total Other Disbursements	\$5,047.00
		Total EXCESS LEVY	\$5,047.00
POOR RELIEF FUND	Personal Services	1142 INTERNAL REVENUE SERVICE	\$383.00
	Personal Services	1108 ANGELA BEATTY WARD	\$5,000.00
		Total Personal Services	\$5,383.00
	Township Assistance	1415 DICKIE LLOYD	\$400.00
	Township Assistance	1177 VECTREN	\$4,349.61
	Township Assistance	1362 BRUCE CISSNA	\$590.62
	Township Assistance	1196 REO WATER	\$26.98
	Township Assistance	1413 C MICHAEL WOOD	\$322.00
	Township Assistance	1169 SOUTHERN INDIANA REC	\$756.94
	Township Assistance	1179 VISA	\$221.91
	Township Assistance	1113 CARD MEMBER SERVICES	\$686.06
	Township Assistance	1410 BILLY BOOP	\$625.00
	Township Assistance	1200 BUY LOW	\$100.00
	Township Assistance	1409 WOODFOREST BANK	\$550.00
	Township Assistance	1202 NET RESULTS	\$447.50
		Total Township Assistance	\$9,076.62
		Total POOR RELIEF FUND	\$14,459.62
RECREATION	Personal Services	1343 MARTIN WINKLER	\$525.00
	Personal Services	1142 INTERNAL REVENUE SERVICE	\$91.80
	Personal Services	1108 ANGELA BEATTY WARD	\$1,200.00
	Personal Services	1184 JACOB WILHELMUS	\$4,180.00

LUCE TOWNSHIP, SPENCER COUNTY
SUMMARY OF CHARGES
 (Due to Malfeasance, Misfeasance, or Nonfeasance)

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Sarah Frederick (Frederick) former Trustee:			
Trustee Personal Cell Phone Reimbursements, pages 5 and 6	\$ 4,009.50	\$ -	\$ 4,009.50
Overpayment of Compensation to Frederick, pages 7 and 8	326.92	-	326.92
Overpayment of Mileage to Frederick, pages 9 and 10	2,264.26	-	2,264.26
Penalties, Interest, and Other Charges, pages 11 and 12	<u>323.15</u>	<u>-</u>	<u>323.15</u>
	<u>6,923.83</u>	<u>-</u>	<u>6,923.83</u>
Angela Beier Ward (Ward), former Township Clerk:			
Clerk Personal Cell Phone Reimbursements, page 7	1,842.38	-	1,842.38
Overpayment of Compensation to Ward, pages 8 and 9	2,818.45	-	2,818.45
Overpayment of Mileage to Ward, pages 10 and 11	<u>2,376.10</u>	<u>-</u>	<u>2,376.10</u>
	<u>7,036.93</u>	<u>-</u>	<u>7,036.93</u>
Frederick and Ward, Jointly and Severally			
Unsupported Credit Card Purchases, pages 3 through 5	<u>1,269.20</u>	<u>-</u>	<u>1,269.20</u>
Subtotals	<u>15,229.96</u>	<u>-</u>	<u>15,229.96</u>
Frederick and Ward, Jointly and Severally			
Special Investigation Costs, page 14	<u>15,229.96</u>	<u>-</u>	<u>15,229.96</u>
Totals	<u>\$ 30,459.92</u>	<u>\$ -</u>	<u>\$ 30,459.92</u>

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

AFFIDAVIT

STATE OF INDIANA)
Mason COUNTY)

I, Lynne Spencer, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of Luce Township, Spencer County, Indiana, for the period from January 1, 2016 to December 31, 2018, is true and correct to the best of my knowledge and belief.

Lynne Spencer
Field Examiner

Subscribed and sworn to before me this 13 day of Sept, 2021

Terresa E. Sparks
Notary Public

My Commission Expires: 01-22-2025

County of Residence: Greene

