

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TIPTON COUNTY, INDIANA

January 1, 2019 to December 31, 2020



**FILED**  
10/19/2021



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Gregg Townsend	01-01-19 to 12-31-21
County Treasurer	Suzanne Alexander	01-01-19 to 12-31-21
Clerk of the Circuit Court	Christy Crawford	01-01-19 to 12-31-21
County Sheriff	Tony D. Frawley	01-01-19 to 12-31-21
County Recorder	Sheila D. Hook	01-01-19 to 12-31-21
President of the Board of County Commissioners	Jim Mullins Dennis Henderson	01-01-19 to 10-26-20 10-27-20 to 12-31-21
President of the County Council	Jim Ashley	01-01-19 to 12-31-21



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF TIPTON COUNTY, INDIANA

This report is supplemental to our audit report of Tipton County (County), for the period from January 1, 2019 to December 31, 2020. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the County. It should be read in conjunction with our Financial Statement Audit Report of the County, which provides our opinions on the County's financial statements. This report may be found at [www.in.gov/sboa](http://www.in.gov/sboa).

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Result and Comment contained herein describes the identified reportable instance 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 Audit Result and Comment, incorporated within this report, was not verified for accuracy.

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

October 7, 2021

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COUNTY AUDITOR  
TIPTON COUNTY

COUNTY AUDITOR  
TIPTON COUNTY  
AUDIT RESULT AND COMMENT

**ACCOUNTING FOR THE IFA ADMINISTERED CORONAVIRUS RELIEF FUND MONEY**

*Condition and Context*

The County did not properly account for the Coronavirus Relief Fund (CRF) in accordance with the options outlined in State Examiner Directive 2020-3 (Directive).

The County did not properly establish a separate CARES grant fund that followed the uniform chart of accounts. Instead, the County utilized a fund number that was specified for another CARES purpose.

The Board of County Commissioners passed a resolution in November 2020, to authorize the public health and safety payroll costs reimbursement to be moved by claim from the CARES grant fund to the General fund in compliance with option 2 of the Directive. The public health and safety payroll costs reimbursement was receipted into the CARES Provider Relief fund (grant fund) on December 21, 2020. The reimbursement amount at that point should have been moved by claim to the General fund, leaving a zero balance in the CARES Provider Relief fund; however, the transfer from the grant fund to the General fund was not done.

The County had a year-end balance of \$490,809 in the CARES Provider Relief fund. This was subsequently corrected in February 2021.

*Criteria*

**Reimbursed Public Health and Safety Payroll Costs**

Transactions for public health and safety payroll costs must be accounted for through one of these two prescribed options.

**Option One.** Reimbursements received from IFA shall be receipted into the separate CARES grant fund. The reimbursed amount for public health and safety payroll costs originally incurred in the general fund (or other fund) will be moved to the separate CARES grant fund through a reversing entry. This action will reinstate the general fund (or other fund) cash balance and re-appropriate the general fund (or other fund) in a similar manner to IC 6-1.1-18-9(1) for those disbursements. This reversal must be done in the same budget year that the original transaction was posted.

Once the disbursement is reversed within the general fund (or other fund), it must be posted as a disbursement in the separate CARES grant fund. Documentation must be maintained so the audit trail can be followed. The accounting system must tie the original claim for the disbursement to the separate CARES grant fund by specific reference or notation in a comment section. . . .

COUNTY AUDITOR  
TIPTON COUNTY  
AUDIT RESULT AND COMMENT  
(Continued)

**Option Two.** Reimbursements received from IFA shall be receipted into the separate CARES grant fund. A claim will be created against the separate CARES grant fund for the reimbursed amount in favor of the general fund. This claim must be supported by documentation of the public health and safety payroll costs that have been expensed from the general fund or other funds.

The amount of the claim will be receipted into the general fund cash balance. Normal appropriation procedures will apply to these funds. . . .

**Reimbursed Costs Other than Public Health and Safety Payroll Costs**

Transactions for other permitted costs reimbursed by IFA must be accounted for through one of the following prescribed frameworks.

**Framework One.** Reimbursements received from IFA shall be receipted into the separate CARES grant fund. Reimbursed disbursements originally incurred in another fund will be moved to the separate CARES grant fund through a reversing entry. This action will reinstate the fund cash balance and re-appropriate the fund in a similar manner to IC 6-1.1-18-9(1) for those disbursements. This reversal must be done in the same budget year that the original transaction was posted.

Once the disbursement is reversed within the original fund, it must be posted as a disbursement in the separate CARES grant fund. Documentation must be maintained so the audit trail can be followed. The accounting system must tie the original claim for the disbursement to the separate CARES grant fund by specific reference or notation in a comment section. . . .

**Framework Two.** If IFA has provided reimbursement based on unpaid invoices or purchase orders, then reimbursements received from IFA shall be receipted into the separate CARES grant fund. The expenditures to vendors will be made through the CARES grant fund and these expenditures must match the application made to IFA. If the actual invoice or invoices relating to a purchase order is less than the purchase order, then the difference in the money expended to the vendor and the amount received for the purchase order from IFA must be returned to IFA. The items on the invoice must match the items on the purchase order. All documentation must be maintained. . . .

**Framework Three.** If you have created a negative balance in your CARES fund based on expenditures made in anticipation of receipt of reimbursement for allowable expenditures where invoices have already been submitted to IFA then leave as is and receipt reimbursement when received, bringing the balance in the separate CARES grant fund to zero. Going forward, expend any anticipated allowable expenditures from a fund with an appropriation and follow framework one. If a negative balance in the CARES grant fund is not fully reimbursed, then the unreimbursed amount will require a reverse entry and posting of the expenditure to the general or other appropriate fund within an appropriated line item. (State Examiner Directive 2020-3)

COUNTY AUDITOR  
TIPTON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 7, 2021, with Gregg Townsend, County Auditor; Jim Ashley, President of the County Council; Nancy Cline, County Commissioner; and Tracey Powell, County Commissioner.