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State Examiner

COUNTY BULLETIN

ISSUED BY THE STATE BOARD OF ACCOUNTS

September 2026

REMINDER OF ORDER OF BUSINESS

October

- 12 Columbus Day - Legal Holiday (IC 1-1-9-1)
- 21-23 County Auditor's Fall Conference – French Lick, Indiana
- 30 Last day to report and make payment of State and County Income Tax withheld in the month of September to the Indiana Department of Revenue. (IC 6-3-4-8)
- 31 Last day to file quarterly contribution and wage reports with the Indiana Department of Workforce Development. (646 IAC 5-2-1)

November

- 1 Last day for county auditor to certify to the office of judicial administration the amounts, if any, the county will be providing to the judges' salary during the ensuing calendar year. (IC 33-38-5-6(b))
- 3 Election Day - Legal Holiday. (IC 1-1-9-1)
- 10 Last day for paying second installment of taxes without penalty. Start preparing for settlement of second installment tax collections. (IC 6-1.1-37-10)
- 11 Veterans' Day - Legal Holiday. (IC 1-1-9-1)
- 26 Thanksgiving Day - Legal Holiday. (IC 1-1-9-1)
- 30 Last day to report and make payment of State and County Income Tax withheld in the month of October to the Indiana Department of Revenue. (IC 6-3-4-8)

December

- 1 On or before this date, certify names and addresses of persons who have money due to them for salaries, wages or other reasons to County Treasurer, for determining if such persons owe delinquent taxes. (IC 6-1.1-22-14)
- 25 Christmas Day – Legal Holiday. (IC 1-1-9-1)

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- 30 Last day to report and make payment of State and County Income Tax withheld in the month of November to the Indiana Department of Revenue. (IC 6-3-4-8)
- 31 Review year-end duties. Post and close all records completely and promptly. The Auditor should balance with the Treasurer and verify the amount of cash in the Treasurer's office. Cash Change Funds issued to any county officer whose term expires must be returned to the County General Fund.

NEWLY ELECTED OFFICERS TRAINING

The State Board of Accounts will provide training to the newly elected officials for the offices of the Auditor, Treasurer, Recorder, and Clerk of Courts on the following dates:

December 9-11 Newly Elected Official Training

The training will be at the Embassy Suites in Plainfield. Newly elected officials that come to the training are to be reimbursed for their expenses from the county general fund without appropriation. Further information on the conference will be forthcoming.

FEDERAL EXCISE TAXES

As a general rule, governmental units are exempt from and should not pay any federal excise tax. To obtain the exemption, a properly executed exemption certificate must be filed with the vendor from whom the purchase is made. This exemption certificate may be prepared at the time the order is placed or at the time the payment is made. The exemption certificate may be a printed or mimeographed form and should be substantially in the form currently used. For information concerning the form of the exemption certificate, contact the Internal Revenue Service.

Claims and invoices should be carefully audited to see that no federal excise taxes are included and paid. Disbursing officers should require that invoices show separately the gross price, the amount of the excise tax, and the final price to the governmental unit.

In some instances, a county may have erroneously paid the excise taxes from which they are exempt. In such instances, the county has three years from the date the tax was paid to the Federal Government in which to file for a refund.

To obtain a refund, the county should submit to the seller an exemption certificate for each item on which excise tax was paid accompanied with documentary evidence that the exemption had not been claimed or received. Such evidence may be copies of invoices, affidavits, records, etc.

The Internal Revenue Service will provide forms on which the original taxpayer may claim reimbursement for excise tax erroneously paid by a county. Any questions concerning federal excise tax should be directed to the Internal Revenue Service.

STATE SALES TAXES

Governmental units are eligible for an exemption from the state sales tax on purchases. To obtain the exemption, a Sales Tax Exemption Certificate must be obtained from the Indiana Department of Revenue (IDOR). Application should be made to the Sales Tax Division of IDOR. This certificate must be presented at the time a purchase is made to avoid paying sales tax. If sales tax is paid erroneously, a refund application may be obtained from the Sales Tax Division.

Lodging for individuals in hotels and motels is not exempt from state sales tax. Therefore, reimbursements for lodging in approved travel status may include state sales tax. However, it should be kept in mind that claims for all such reimbursements must be supported by a fully itemized receipt showing date(s) of lodging, the name(s) of the person(s) occupying the room and the amount paid.

COURT REPORTERS – TRANSCRIPT PREPARATION

For the purposes of determining overtime of court reporters performing transcript work, Title 29 of the United States Code (29 USC 207(o)(6)), states:

“(6) The hours an employee of a public agency performs court reporting transcript preparation duties shall not be considered as hours worked for the purposes of subsection (a) of this section if:

(A) such employee is paid at a per-page rate which is not less than—

(i) the maximum rate established by State law or local ordinance for the jurisdiction of such public agency,

(ii) the maximum rate otherwise established by a judicial or administrative officer and in effect on July 1, 1995, or

(iii) the rate freely negotiated between the employee and the party requesting the transcript, other than the judge who presided over the proceedings being transcribed, and

(B) the hours spent performing such duties are outside of the hours such employee performs other work (including hours for which the agency requires the employee's attendance) pursuant to the employment relationship with such public agency.

For purposes of this section, the amount paid such employee in accordance with subparagraph (A) for the performance of court reporting transcript preparation duties, shall not be considered in the calculation of the regular rate at which such employee is employed.”

PLATS

Except as provided in section 9 of this chapter, the auditor, or, if authorized by county ordinance, the surveyor of each county shall maintain a plat of each civil township of the county the auditor or surveyor serves. The plats shall be divided in such a manner that they clearly exhibit the ownership and assessed

value of each parcel of real property. The plats must be in the form and contain the information prescribed by the department of local government finance. The plats shall be kept current (IC 6-1.1-5-1). Indiana Code Section 6-1.1-35-13 authorizes the department of local government finance to prepare a plat if an official fails to deliver a plat to the appropriate officer or board. They may appoint a special representative to prepare the plat. The board shall certify the expenses incurred to the township or county which is served by the official who failed to perform his duty. The township or county shall pay the amount of the expenses to the treasurer of state within thirty (30) days after the department's certification and the township or county may collect amounts which it pays under the section from the official who failed to perform his duty.

DRAINAGE CONSTRUCTION AND MAINTENANCE - USE OF OWN WORK FORCE

IC 36-9-27-77(e) allows the Drainage Board to perform maintenance, construction, or reconstruction by its own work force without awarding a contract. However, this would be subject to IC 36-1-12-5 which states the public work project must be less than \$50,000. IC 36-1-12-5(e) states that the Board may purchase or lease supplies in the manner provided in IC 5-22 and perform the public work by means of its own work force without awarding a public contract.

In summary, the Drainage Board could perform its own maintenance project with the use of its own work force without awarding a contract if the total project costs are less than \$50,000 (IC 36-1-12-5).

COUNTY MISDEMEANANT FUND

A county misdemeanor fund must be used only for funding the operation of the county's jail, jail programs, or other local correctional facilities or community based programs. Any money remaining in a county misdemeanor fund at the end of the year does not revert to any other fund but remains in the county misdemeanor fund (IC 11-12-11-5).

FIREARM DEALER'S LICENSE - ISSUANCE - FEE - DISPOSITION OF FEE

IC 35-47-2-15 provides for the issuance of Firearm Dealer's License by the Superintendent of the Indiana State Police upon application of a person, desiring a retailing handgun dealer's license, to the sheriff of the county in which he resides. The fee for the license shall be twenty dollars (\$20), which shall be deposited with the officer to whom the application is made. If the applicant is approved, the officer to whom the application was made shall forward the fee for the license to the superintendent for deposit with the treasurer of state when the application is approved by the superintendent. In the event that the application is disapproved, the fee shall be returned to the applicant along with the complete reasons, in writing.

PAYMENT FOR PUBLICATION OF PUBLIC NOTICES - PENALTY FOR VIOLATION

Whenever publication of notice, report, or statement of any kind is required and a county is liable for the cost of that publication, the executive may not make or pay for publication in more than one newspaper,

unless publication in two newspapers is required. A person who violates this section commits a Class C infraction (IC 36-2-2-25).

TRANSIENT MERCHANTS LICENSE

All qualifying transient merchants shall file an application for a license for that purpose with the county auditor and shall pay to the county treasurer a license fee of one hundred dollars (\$100) for each six (6) month period in which the applicant proposes to transact business, unless a lesser fee was established or waived by the county legislative body in accordance with IC 25-37-1-6.5. The applicant shall thereupon file the county treasurer's receipt for such payment with the county auditor of the county with whom the application is filed (IC 25-37-1-4 and IC 25-37-1-6).

We recommend the Combination Quietus, Application to Pay, Treasurer's Receipt and Auditor's Copy or an alternate form that provides the same information be used in processing this type of transaction. We also recommend that the licenses issued to transient merchants be prenumbered by your printing supplier or generated by your software system in chronological order for accountability. If manual forms are used, they should be stored in a safe place to prevent unauthorized use of such licenses. All license fees collected shall be quietused to the County General Fund (IC 25-37-1-12).

At the time of filing the application with the county auditor, the applicant shall also file and deposit a bond with sureties to be approved by the county auditor for the penal sum of seven hundred fifty dollars (\$750) or three (3) times the value of the goods, wares, and merchandise to be offered for sale or sold as shown by the inventory filed, whichever sum is greater, running to the State.

In the event the bond is called, the bond shall be forfeited and used for the benefit of:

- (1) any purchaser of goods, wares, or merchandise sold by the applicant, if the purchaser is awarded a judgment as a result of a cause of action against the applicant that was commenced within one (1) year of and that arose out of the sale;
- (2) the operating budget of the county's prosecuting attorney, if the applicant is found by a court to have violated IC 25-37-1-9, although the amount forfeited under this subdivision may not exceed one-third (1/3) of the bond;
- (3) the state, any of its departments or subdivisions, or any unit of local government, if the applicant fails to pay all taxes due from the applicant to that governmental entity; or
- (4) a court in payment of partial payment of any fines that may be assessed by the court against the applicant, its agents, or employees for violation of this chapter.

However, the aggregate liability of the surety for all taxes, fines, disbursements, and causes of action may not exceed the amount of such bond. There shall be no limitation of liability against the transient merchant or the applicant for the license.

In such bond, the applicant and surety shall appoint the auditor of the county in which the bond is filed, the agent of the applicant, and the surety for the service of process. In the event of such service of process, the agent on whom such service is made shall, within five (5) days after the service, mail by ordinary mail a true copy of the process served upon him to each party for whom he has been served, addressed to the last known address of such party. Failure to mail the copy shall not, however, affect the court's jurisdiction.

The state or any department or subdivision, municipal or otherwise, thereof or any person having a cause of action arising from or out of any sale or sales of goods, wares, or merchandise or against the applicant may join the applicant and the surety on such bond in the same action or may sue either such applicant or the surety alone (IC 25-37-1-5).

The following persons, organizations, or corporations are not required to obtain a transient merchants license:

- (1) any person, individual, copartner, limited liability company, or corporation which grows the goods, wares, or merchandise that is sold or is offered for sale;
- (2) a person who makes crafts or items by hand and sells them or offers them for sale;
- (3) an auctioneer who is licensed under IC 25-6.1;
- (4) a resident of the county in which the sale takes place who conducts a sale of tangible personal property for no more than four (4) days per calendar year;
- (5) an organization that is exempt from the Indiana gross retail tax under IC 6-2.5-5-26;
- (6) a person who:
 - (A) sells merchandise;
 - (B) offers to sell merchandise; and
 - (C) provides proof that the sale is being conducted as part of an activity sponsored by an organization described in subdivision (5);
- (7) a person who:
 - (A) organizes;
 - (B) sells merchandise at;
 - (C) offers to sell merchandise at; or
 - (D) exhibits at;a trade show or convention;
- (8) except as provided in section 15 of this chapter, a person who holds a registered retail merchant's certificate under IC 6-2.5-8 (IC 25-37-1-2).

A transient merchant who:

- (1) transacts business without having first obtained license under this chapter; or

(2) knowingly advertises, offers for sale, or sells any goods, wares, or merchandise contrary to this chapter;

commits a Class B infraction for each day a violation occurs (IC 25-37-1-9).

Notwithstanding IC 25-37-1-5 (requirement to file bond), a county legislative body (as defined in IC 36-1-2-9) may annually:

(1) set the amount of the bond required under section 5 of this chapter in any amount that is not greater than the amount required in section 5 of this chapter; or

(2) waive the bond required under section 5 of this chapter.

A county legislative body that reduces or waives the bond must inform the auditor of the county of the following:

(1) Whether a bond is required to be filed with an application with the auditor for a transient merchant license.

(2) The amount of the bond if a bond is required.

If filing for a transient merchant license with a county auditor who has been informed of a reduced bond, an applicant filing for a transient merchant license must do the following:

The applicant must file:

(A) an application; and

(B) the bond; with the county auditor.

If filing for a transient merchant license with a county auditor who has been informed that a bond has been waived, the applicant must file only an application. A bond required, although not in the amount required under IC 25-37-1-5, will for all other purposes be treated like a bond issued under IC 25-37-1-5 (IC 25-37-1-5.5).

Notwithstanding IC 25-37-1-6 (requirement to pay license fee), a county legislative body (as defined in IC 36-1-2-9) may annually:

(1) set the county license fee required under section 6 of this chapter in any amount that is not greater than the amount required in section 6 of this chapter; or

(2) waive the county license fee required under section 6 of this chapter.

A county legislative body that reduces or waives the county license fee must inform:

(1) the treasurer of the county; and

(2) the auditor of the county;

whether a license fee is required to be filed with an application with the auditor for a transient merchant license and the amount of the license fee if a license fee is required. A treasurer who is informed of a fee changed shall:

- (1) require each applicant to submit the lesser fee set by the county legislative body; and
- (2) issue a receipt to the applicant.

An applicant filing for a transient merchant license must do the following:

- (1) If filing for a transient merchant license with the county auditor who has been informed of a reduced license fee, the applicant must file:
 - (A) an application; and
 - (B) a receipt from the county treasurer.
- (2) If filing for a transient merchant license with a county auditor who has been informed that a license fee has been waived under subsection (b), the applicant must file only an application (IC 25-37-1-6.5).

LEASE-PURCHASE AGREEMENTS

In purchasing a truck, accounting machine, or any other equipment from budgeted funds, the County Commissioners have the right to enter into a rental with option to purchase agreement if the rental charge is fair and reasonable.

Before such an agreement can be legally entered into, there must be a sufficient appropriation balance available for payment of the current year's rental charge. The agreement should not obligate the county for payment of rental beyond the current year's appropriation. Provision may be made in the agreement for renewal for succeeding years by rental payments subject to appropriations being available therefore.

If the total annual rental payments of the equipment (without consideration of any trade-in) exceeds the county's threshold the purchasing authority must comply with the "Public Purchases Law," IC 5-22, by advertising for bids and by awarding a contract to the most responsible and responsive bidder. Only by awarding a contract pursuant to IC 5-22 would the county have authority to purchase the equipment at a later date. A lease-purchase agreement will generally contain an option to purchase at the end of the lease term for nominal consideration or no additional consideration.

The specifications for the equipment must be recognized standard specifications to allow competitive bidding and should provide for the bidder to quote the total purchase cost, the rental charge to be made, and the percentage of the rental charge that will be credited toward the purchase cost should the county exercise the option to purchase. Any interest or carrying charges must be made a part of the original bid price without specific reference made thereto.

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If the county complies with these requirements, the purchasing authority can exercise its option to purchase at any time a sufficient appropriation for equipment is available.

FORESTRY RESERVE DISTRIBUTIONS

The law governing distribution of state forestry earnings can be found in IC 14-23-4-5. This law specifically provides that 15% of such earnings be deposited in the County General Fund of the county in which the state forest is located.

In addition, counties in which national forests are located receive a distribution from the Treasurer of the United States through the State of Indiana. There are only a few counties receiving earnings from the national forest reserves and it has been the policy to receipt all of such funds to the County Highway Fund.

CLERK'S RECORD PERPETUATION FUND

IC 33-37-5-2 governs this fund and says the clerk may use any money in the fund for the following purposes:

- (1) The preservation of records.
- (2) The improvement of record keeping systems and equipment.
- (3) The operation of a case management system.

The code does not specifically define what would be considered the preservation of records and improvement of the record keeping systems that the fund can be used for. To determine whether an intended purchase complies with the statute, the County should get the opinion of their legal counsel and provide that opinion as part of the supporting documentation for the purchase.

PER DIEM PAYMENTS TO MEMBERS OF AREA PLAN COMMISSIONS AND BOARDS OF ZONING APPEALS

Notwithstanding IC 36-2-7-2, a member of a county executive, a member of a county fiscal body, a county surveyor, or an appointee of a county surveyor who is also a member of a plan commission is entitled to receive the following:

- (1) A sum for mileage for each mile necessarily traveled while performing the duties of a plan commission member in an amount that is equal to the amount paid to state employees for mileage.
- (2) A sum for compensation for services as a member of the plan commission in an amount that the county fiscal body may determine for attendance at meetings of the plan commission.

Since the laws governing Boards of Zoning Appeals fails to address the subject of compensation of board members, we would not be opposed to a county adopting a Home Rule ordinance in accordance with IC 36-1-3 to allow such compensation. As long as those members who are elected officials are excluded, we would not take exception to paying per diem to other members of this board.

COUNTY LAW ENFORCEMENT CONTINUING EDUCATION FUND

In each action in which a defendant is found to have:

- (1) committed a crime;
- (2) violated a statute defining an infraction; or
- (3) violated an ordinance of a municipal corporation;

the clerk shall collect a law enforcement continuing education program fee of four dollars (\$4) (IC 33-37-5-8).

A county user fee fund is established in each county to finance various program services. The county fund shall be administered by the county auditor. The county fund consists of the following fees collected by a clerk under IC 33-37:

- (1) The pretrial diversion program fee.
- (2) The marijuana eradication program fee.
- (3) The alcohol and drug services program fee.
- (4) The law enforcement continuing education program fee.
- (5) The deferral program fee.
- (6) The jury fee.
- (7) The problem solving court fee.

The jury fee and two dollars (\$2) of a deferral program fee collected under IC 33-37-4-2(e) shall be deposited by the county auditor in the jury pay fund established under IC 33-37-11. (IC 33-37-8-5). Upon receipt of monthly claims submitted on oath to the fiscal body by a program listed above, the county fiscal body shall appropriate from the county fund to that program or fund the amount collected for the program under IC 33-37-5 (IC 33-37-8-6).

Each county shall have a county law enforcement continuing education program. The program is funded by amounts appropriated under IC 33-37-8-6 (IC 5-2-8-1). The county law enforcement agency receiving amounts based upon claims for law enforcement continuing education funds under IC 33-37-8-4 or IC 33-37-8-6 shall deposit each fee collected into the county law enforcement continuing education fund (IC 5-2-8-1). Distribution of money in the county law enforcement continuing education fund shall be made to a county law enforcement agency without the necessity of first obtaining an appropriation from the county fiscal body (IC 5-2-8-1). Money in excess of one hundred dollars (\$100) that is unencumbered and remains in a county law enforcement continuing education fund for at least one (1) entire calendar year from the date of its deposit shall, at the end of a county's fiscal year, be deposited by the county auditor in the law enforcement training fund established under IC 5-2-1-13(b) (IC 5-2-8-1).

A law enforcement agency may receive funds from a County User Fee Fund or a City or Town User Fee Fund by filing a claim with the county, city, or town fiscal officer. The claim shall include a "verified statement" of cause numbers for fees collected that are attributable to the law enforcement efforts of that agency. Payment of the claimed amount from a County User Fee Fund or a City or Town User Fee Fund may be made without appropriation (IC 5-2-8-1). Claims may be filed as often as monthly but must be filed in the same local fiscal year in which the fees are collected (IC 5-2-8-1(g)). On receipt of the amount claimed

by the law enforcement agency, the fiscal officer shall place the amount received into the County Law Enforcement Continuing Education Fund (IC 5-2-8-1(c)).

Funds received by a law enforcement agency shall be used for the continuing education and training of law enforcement officers employed by the agency and for equipment and supplies for law enforcement purpose (IC 5-2-8-1). Amounts claimed for expenditures from the County Law Enforcement Continuing Education Fund must have been appropriated prior to expenditure either through the normal budget process or by additional appropriation (IC 33-37-8-6).

Per IC 5-2-8-1, a county law enforcement agency program shall provide to each law enforcement officer employed by the county and may provide to each law enforcement officer employed by a city or town law enforcement agency within the county continuing education concerning the following:

- (1) Duties of a law enforcement officer in enforcing restraining orders, protective orders, temporary injunctions, and permanent injunctions involving abuse.
- (2) Guidelines for making felony and misdemeanor arrests in cases involving abuse.
- (3) Techniques for handling incidents of abuse that:
 - (A) minimize the likelihood of injury to the law enforcement officer; and
 - (B) promote the safety of a victim.
- (4) Information about the nature and extent of abuse.
- (5) Information about the legal rights of and remedies available to victims of abuse.
- (6) How to document and collect evidence in an abuse case.
- (7) The legal consequences of abuse.
- (8) The impact on children of law enforcement intervention in abuse cases.
- (9) Services and facilities available to victims of abuse and abusers.
- (10) Verification of restraining orders, protective orders, temporary injunctions, and permanent injunctions.
- (11) Policies concerning arrest or release of suspects in abuse cases.
- (12) Emergency assistance to victims of abuse and criminal justice options for victims of abuse.
- (13) Landlord-tenant concerns in abuse cases.
- (14) The taking of an abused child into protective custody.
- (15) Assessment of a situation in which a child may be seriously endangered if the child is left in the child's home.
- (16) Assessment of a situation involving an endangered adult (as defined in IC 12-10-3-2).
- (17) Response to a sudden, unexpected infant death.
- (18) Performing cardiopulmonary resuscitation and the Heimlich maneuver.
- (19) Cultural diversity awareness that includes an understanding of cultural issues related to race, religion, gender, age, domestic violence, national origin, and physical and mental disabilities.

A county law enforcement agency may provide continuing education to each police reserve officer appointed by the county law enforcement agency. A county law enforcement agency may enter into an agreement with other law enforcement agencies to provide the continuing education required (IC 5-2-8-1).

COMMUNITY CORRECTIONS PROGRAMS

Indiana Department of Corrections (IDOC) provides grant funding to the counties. The Auditor is the fiscal officer for the grant. The Auditor must have sufficient information on the grant and the grant budget to be able to audit the claims and post receipts to the correct funds. The grant agreement and attachments that contain the approved budgets for the grants are sent to the County Auditors for signature. A copy of these grant documents should be made by the auditor's office to keep in the grant file. There are two main sources of funding for the Community Corrections which comprise the grant distributions sent from the state each month and project income. The county may also appropriate money from the general fund to support the Community Corrections programs.

The Community Corrections grant can be awarded to Probation Departments, Prosecutor Diversion Programs and Court Recidivism Programs. In addition, the Community Corrections program for juveniles is now tracked separately from the Community Corrections program for adults. In theory, a county could be awarded as many as five projects from the Community Corrections grant funding. Each project needs to have its own separate grant fund within the fund numbers assigned to State and Local Grants (9000 series in the Uniform Chart of Accounts). At the end of the grant year, the IDOC will evaluate and audit the ending fund balance in the grant funds and determine if the balance is to be returned to the state or may be carried over to a new grant year. IDOC will send out 25% of the total award in the first month of the fiscal year (July). The remaining 75% of the grant is divided over 12 months and 1/12th is sent out each month, also starting with July. The grant agreement will specify how the total grant is to be divided among the approved projects. The payments will be made by EFT and there will be one payment amount each month. Using the grant agreement information, the auditor will have to determine what percentage of the total payment to allocate to each project. The July payment will include the 25% advance and the 1/12th payment for July. Starting with the August payment, the payment amounts should remain consistent and the allocation should remain the same each month. The grant agreement will have attachments that contain the approved budgets for each project. By statute, the council must also approve the appropriations.

For the Community Corrections projects, the Community Corrections Advisory Board will set user fees for participation in the program. Community Corrections personnel collect these fees and the fees will be posted to a project income fund. (Fund 1122). IDOC tracks juvenile programs separately from adult programs and so there needs to be a separate project income fund for juvenile program fees if your county has a juvenile community corrections program. The program may also collect user fees that offset the cost of certain services provided to participants, such as educational classes, treatment or drug testing. These fees would also be deposited into the project income fund.

For Probation and Pretrial Diversion programs, user fees for participation in the programs are established by statute. For Court Recidivism (Problem Solving Courts) the court establishes the user fees for participation. In each of these three programs, statute directs these user fees to be deposited into specific funds, such as adult and juvenile supplemental probation funds and appropriate user fee funds for the court. The auditor will continue to post those fees as they have always been posted, and that will not change due to a grant from Community Corrections awarded to those offices. However, if the community correction grant received by one of these offices pays for an educational class, drug testing or treatment and a fee is charged to the participants to reimburse the costs of these programs, those user fees would have to be deposited into a separate project income fund for that office. If the grant does not pay any of these costs, the user fees collected would be posted to the appropriate user fee fund. It becomes extremely important

that the project leaders for each office provide sufficient information to allow the receipts to be posted to the correct fund. The only way for the auditor's office to know how to deposit these collections is for the project directors to provide a report of collections that details how this money is to be posted.

Any balance in a project income fund would remain at the county at the end of each fiscal year. In order to disburse Community Corrections project income funds, the disbursement must be in compliance with the approved budget for the project income. These budgets would be included in the attachments with the grant budgets. Any changes to the approved budgets would need to be approved by IDOC and the project leader should be able to provide documentation of that approval.

EXCISE DISTRIBUTIONS

During the 2026 legislative session, Section 88 of House Bill 1210 made changes to the following excise tax distributions:

- Motor Vehicle Excise Tax (IC 6-6-5)
- Excise Tax on Recreational Vehicles and Truck Campers (IC 6-6-5.1)
- Aircraft License Excise Tax (IC 6-6-6.5)
- Auto Rental Excise Tax (IC 6-6-9)
- Boat Excise Tax (IC 6-6-11)
- Heavy Equipment Rental Excise Tax (IC 6-6-15)
- Vehicle Sharing Excise Tax (IC 6-6-16)

Section 88 established a new code section, IC 6-1.1-27-10. The new code section is effective January 1, 2027. In the coming months, taxing units may need to take steps to ensure that they are in compliance.

Beginning in 2027, the excise tax distributions identified above (1) may be deposited in "any fund maintained by the taxing unit" and (2) may be used for any purpose allowed by law. [IC 6-1.1-27-10]. While this broad language benefits taxing units by allowing them to receipt distributions where they will be most effectual, if a unit does not take steps to ensure the distribution is adequately tracked, critical audit findings may result.

During audit, it is imperative that SBOA be able to identify into which fund the distributions are receipted. Therefore, if a unit receipts excise distributions identified above into any fund other than the General Fund, the legislative body of the unit must identify into which fund the distributions will be receipted. The funds must be identified prior to the distribution, and the funds must be selected by ordinance, resolution, or vote (memorialized in meeting minutes). If the distributions are receipted into the General Fund, the unit need not adopt an ordinance, resolution, or vote.

COMMUNITY CORRECTIONS TRUST FUND FAQs

SBOA has received many questions related to the Senate Bill 92 and the new Community Corrections Trust Fund (#1241). We have aggregated and answered these questions below.

Statutory and Current SBOA Guidance

1. Where is the fund maintained?
 - a. On the County Auditor's Ledger.
2. What is the fund number?
 - a. Fund Number 1241 – Community Corrections Trust Fund has been established on the Chart of Accounts.
 - b. Here is a link to the full Chart of Accounts for Counties: https://www.in.gov/sboa/files/Fund-Descriptions-Master-07_16_26.pdf.
3. What revenue is deposited into the community corrections trust fund?
 - a. IC 11-12-12-3 details three revenue sources for the fund:
 - i. (1) Proceeds from commissary sales.
 - ii. (2) Any amounts appropriated to the fund.
 - iii. (3) Any grants or gifts received by the county that are designated for the purposes of the commissary or community corrections programming.
4. What reporting requirements apply to the community corrections trust fund?
 - a. IC 11-12-12-5 establishes annual reporting requirements for the fund.

“(a) Before March 1 of each year, the community corrections agency for a county that establishes a fund under section 2 of this chapter shall submit an annual report to the county fiscal body. The annual report must include the following information:

 - (1) The total amount of money deposited into the fund in the previous calendar year.*
 - (2) The total amount of money expended from the fund in the previous calendar year.*
 - (3) The balance of the fund on December 31 of the previous calendar year.*

(b) An annual report submitted under this section may include a brief summary of how fund expenditures have supported community corrections programming or facility improvements in the previous calendar year.

(c) The community corrections agency shall also provide a copy of the annual report submitted under this section to the community corrections advisory board.”
5. Has there been guidance published by the SBOA?
 - a. Yes, the June 2026 County Bulletin article “Community Corrections Trust Fund” on pages 7-9, which detailed all statutory requirements and guidance from the SBOA: https://www.in.gov/dA/c6da43dfa9/June-2026-Counties-Bulletin-FINAL-1.pdf?language_id=1.
6. Do the county's internal control processes and procedures apply to community correction trust funds?
 - a. Yes, all money held by the county is considered public funds (under IC 5-13-4-20) and should follow local internal control processes and procedures.

Use of Community Correction Trust Funds

7. Does the county council need to appropriate the community corrections trust fund?
 - a. Yes, appropriation is required.
8. What can the community corrections trust funds be used for?
 - a. Permissible uses are detailed in IC 11-12-12-4.

"Money in the fund may be used only for the following:

- (1) The inventory and operations of the commissary.*
- (2) Rehabilitation and educational programming.*
- (3) Facility improvements directly tied to community corrections programming.*
- (4) Staff training and equipment."*

9. What supporting documentation is needed for expenditures from the community corrections trust fund?
- a. *"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."* (Uniform Compliance Guidelines Chapter 1, 1.03, EEE)
10. Do community correction trust fund expenditures run through the normal claims process?
- a. Yes, they will follow the standard claims process detailed in IC 5-11-10-1.6.
11. Who reviews and approves the disbursements from these funds?
- a. All review and approval of disbursements is through the standard claims process detailed in IC 5-11-10-1.6(c). The claim will be certified by the County Auditor and payment may be allowed by the County Commissioners.
12. Can you use debit and credit cards for commissary purchases?
- a. Debit cards are only allowed if the County Council has approved the use of a debit card.
 - b. Credit cards are only allowed if the County Commissioners have approved the use of a credit card.

Existence of a Home Ruled Community Corrections Trust Fund

13. If I have an existing community correction trust fund, do I need to establish the new community corrections trust fund?
- a. Yes, per statute, all proceeds of commissary sales made as part of the county's community corrections program must be deposited into the fund (IC 11-12-12-2).
14. Does a local ordinance supersede statute?
- a. No, Indiana Code supersedes local policy.
15. If our community corrections department had already established a home rule community corrections commissary fund, do we need to transfer the existing balance into the new community corrections trust fund (fund #1241)?
- a. If community corrections had a home rule fund before July 1, 2026 the funds received into the home rule fund can remain in the fund and may be spent directly from the fund until the fund is fully depleted. A transfer of funds would not be required, unless the county chose to transfer the funds.
 - b. After July 1, 2026, all revenue must be deposited into the Community Corrections Trust Fund (#1241).
16. If we have an established home rule community corrections trust fund and decide to spend directly from the fund until depleted, what happens when the fund is \$0?
- a. When the fund is \$0 it is considered dormant and the fund would be closed.

Vending Machines

17. Our community corrections department uses a vending machine for commissary sales. Does SEA 92 apply to us?
 - a. Yes, the money received from the vending machine sales would be considered revenue under IC 11-12-12-3.
18. What revenue does SBOA consider to be “commissary sales?”
 - a. Commissary sales are not defined in statute, any revenue received that falls under IC 11-12-12-3 would be considered commissary sales.
19. How to determine if the vending machine is for community correction commissary or not?
 - c. Things to consider when using a vending machine, as these can vary from county-to-county depending on the answers to the questions below. Who are the primary users of the vending machine? Who did you intend to serve and who is the user of the vending machine? Who has access to the vending machine? Do you have an alternative way for community corrections individuals to purchase items?

Miscellaneous Items

20. What if community correction commissary revenue was previously receipted into the Project Income Fund? Is there a way to transfer these monies out and into the new community correction trust fund?
 - a. Unfortunately, when these revenues are deposited and comingled into another fund it is almost impossible to extract these revenues after a certain amount of time, because they lose their identity once they are receipted into the incorrect fund. The county would have to identify a reasonable explanation for the amount of funds that could be transferred out; however it might not be possible depending on the amount of revenue collected for community corrections, commissary sales, and the expenditures from Project Income.
21. If the county council has given our community corrections department permission to have a departmental bank account, what additional processes and rules apply?
 - a. The additional processes are detailed in the March 2024 County Bulletin, page 11 under the “County Departmental Bank Accounts” article: https://www.in.gov/sboa/files/County-Bulletin-March-2024_V2.pdf