

# **STATE BOARD OF ACCOUNTS**

## **Recorder's Fees and Funds Newly Elected Conference 2024**

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## **PAUL D. JOYCE, CPA STATE EXAMINER**

Indiana's State Examiner and the agency head for the State Board of Accounts, Paul Joyce coordinates and manages the post-audits and examinations of over 4,000 state and local governmental entities in Indiana.

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## ***Types of Payments Received***

IC 36-1-8-11

- Cash
- Checks
- Debit and Credit Cards
- Money Orders
- Electronic Funds Transfer (EFT)
- Other financial instruments as approved by the county council

Accounts Receivable and Escrow Accounts

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## ***Recording Fees***

Indiana Code 36-2-7-10

- Effective 7-1-15
  - Recording deed or other instrument, other than mortgage \$25
  - Recording mortgage \$55
  - Pages larger than 8 ½ by 14 inches-first page \$25
    - Each additional page \$5 /page
  - Attesting to the release, partial release or assignment \$7 /trans
    - Fee under subsection 1 \$25
  - Copies of records-pages smaller than 11 by 17 \$1 /page
  - Copies of records-pages larger than 11 by 17 \$5 /page
  - Acknowledgement/Certification \$5

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## **Recording Fees**

IC 36-2-7-10(d) establishes how the fees collected will be allocated for all counties that do not have a consolidated city.

Recording any deed or other instrument other than mortgage

- |  |      |
|--|------|
| • County general                                 | \$ 8 |
| • County surveyor's corner perpetuation          | \$ 5 |
| • County recorder's records perpetuation fund    | \$10 |
| • County Identification security protection fund | \$ 1 |
| • Elected officer's training fund                | \$ 1 |

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## **Recording Fees**

IC 36-2-7-10(e) continues for allocation of costs for recording a mortgage, other than for a county with a consolidated city

- |   |         |
|---|---------|
| • County general                            | \$ 34   |
| • County surveyor's corner perpetuation     | \$ 5    |
| • County recorder's records perpetuation    | \$11.50 |
| • Auditor of State                          | \$ 2.50 |
| • County identification security protection | \$ 1    |
| • County elected officers training          | \$ 1    |

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## ***Bulk Copies***

Indiana Code 36-2-7-10.1

- Ordinance
- Written request from user
- Fees go into Recorder's Perpetuation fund
  - 10 cents per page
  - 20 cents per page (with ordinance)
- Contract with bulk user

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## ***Collecting Payments***

- Receipts are to be issued and recorded at the time of the transaction
- Collections are received in the mail and from individuals
- Receipts should be issued for ALL collections
- An approved OR a prescribed receipt is to be used
- Proper internal controls should be in place for handling collections
- Employees handling collections should be properly bonded. (collect over \$5,000)

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# Deposits

- IC 5-13-6
- Daily Deposits Required
- Designated Depository
- Board of Finance and County Investment Policy.

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# Report of Collections



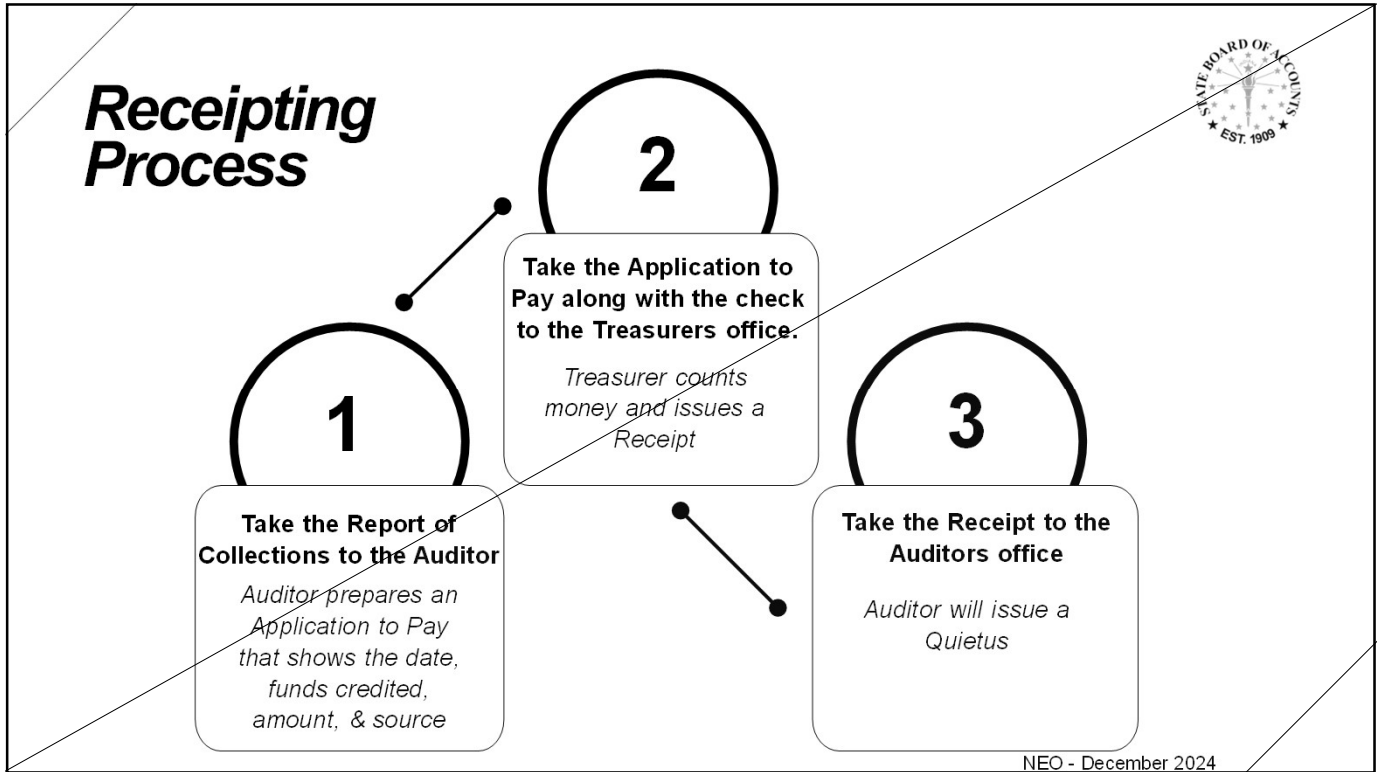
## REPORT OF COLLECTIONS

To: *County Auditor*  
 Sample County  
 Sample County, Indiana  
 Collections for the Period: March 1, 2018 to March 31, 2018

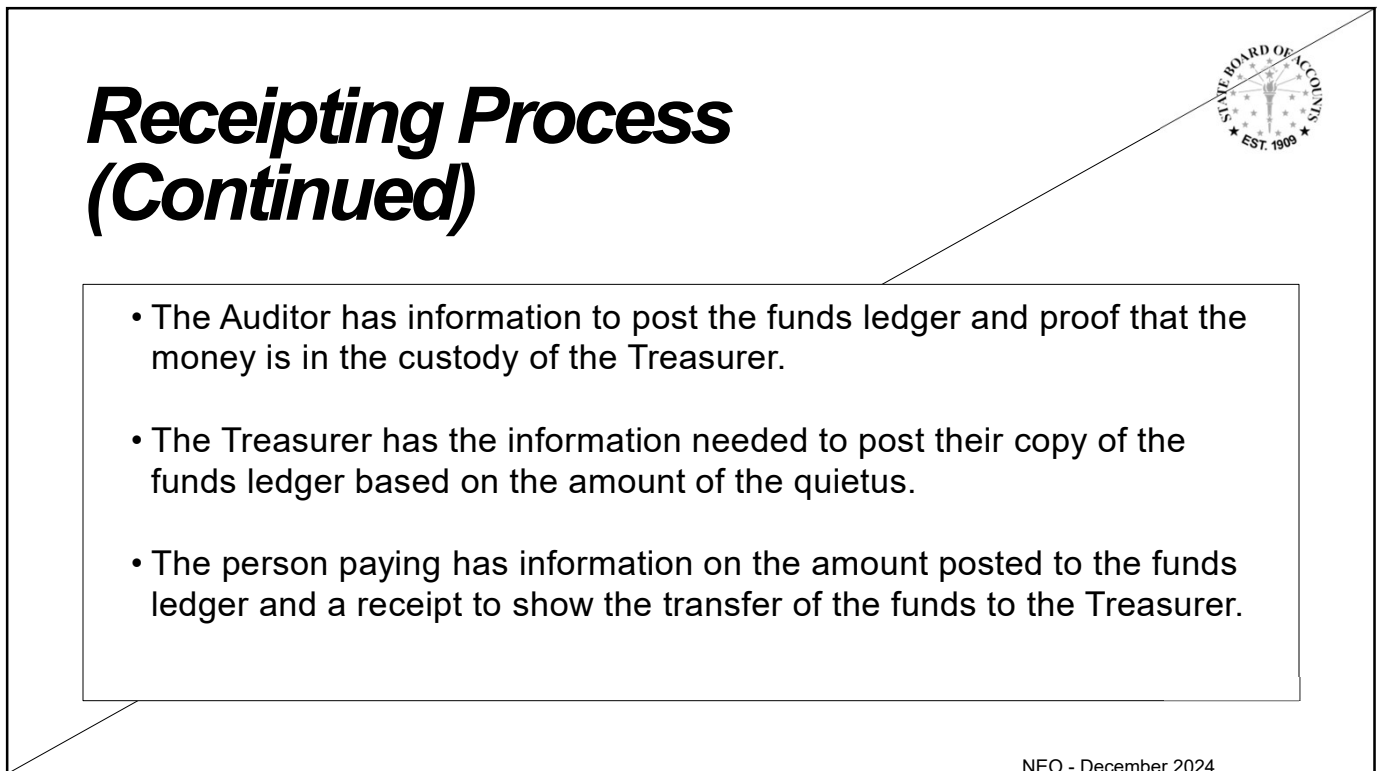
Used to transfer custody of cash when remitting fees monthly to the County Treasurer

| DESCRIPTION   | Fund to be Credited                 | Collections This Period | Prior Collections  | Year to Date Collections |
|---|-------------------------------------|-------------------------|--------------------|--------------------------|
| Recording Fees (Lines 1, 2, 3, 4 & 6)   | County General                      | \$ 1,000.00             | \$ 2,000.00        | \$ 3,000.00              |
| Copies, Supplemental Fees, Mortgage Fees, and Identification Fees (Lines 5, 9, 10, 11, 14 & 15) | Recorder's RPF                      | 136.00                  | 272.00             | 408.00                   |
| Mortgage Fees (Line 11)   | Mortgage Recording Fees-State Share | 70.00                   | 125.00             | 240.00                   |
| Deeds (Line 7)  | Surveyor Corner Perp.               | 50.00                   | 100.00             | 150.00                   |
| 60% Affordable Housing Fee (Line 12)  | Local Afford. Housing               | 60.00                   | 120.00             | 180.00                   |
| 40% Affordable Housing Fee (Line 12)  | State Afford. Housing               | 40.00                   | 80.00              | 120.00                   |
| Identification Security Protection Fee (Line 14)  | Identification Sec. Prot.           | 18.00                   | 36.00              | 54.00                    |
| Identification Security Protection Fee (Line 14)  | Elected Officials Train             | 18.00                   | 36.00              | 54.00                    |
| Enhanced Access Fees (Line 16)  | Enhanced Access Fund                | 35.00                   | 70.00              | 105.00                   |
| Interest Earned   | County General                      | 8.52                    | 17.04              | 25.56                    |
| <b>Total Amount Collected</b>   |                                     | <b>\$ 1,435.52</b>      | <b>\$ 2,856.04</b> | <b>\$ 4,336.56</b>       |

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## Overview of Fund Accounting

- A fund is defined as a separate accounting entity, established from various sources, that is self balancing reporting the current cash balance as well as receipts and disbursements for the calendar year.
- All funds require appropriation before disbursements can be made, unless there is specific statutory authority to spend without appropriation.
- Fund Types
  - General Fund
  - Special Revenue Funds
- Statutory funds

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## ***IC 36-2-7-10(f) states:***

“The county treasurer shall establish a county recorder's records perpetuation fund. The fund consists of all fees collected under this section for deposit in the fund and amounts transferred to the fund from the county identification security protection fund under IC 36-2-7.5-11, and the county elected officials training fund under section 19(e)(4) of this chapter. Except as provided in section 10.2 of this chapter, the county recorder may use any money in this fund without appropriation for:

- (1) the preservation of records; and
  - (2) the improvement of record keeping systems and equipment;
- within the control of the county recorder. Money from the fund may not be deposited or transferred into the county general fund and does not revert to the county general fund at the end of a fiscal year.”

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## **Key Phrases – IC 36-2-7-10(f)**

- The county recorder may use any money in this fund without appropriation for:
  - Preservation of records and
  - The improvement of record keeping systems and equipment
- Within the control of the county recorder.
- Money from this fund may not be transferred to general and does not revert to general fund.

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## **IC 36-2-7-10.2 states:**

“(b) A county recorder may pay all or a portion of the expenses of the county recorder's office for the following calendar year from the fund only if:

- (1) the county recorder submits to the county fiscal body a sworn statement that:
  - (A) the current revenue to the fund is sufficient to fulfill the statutory purpose of the fund;
  - (B) the technology of the county recorder's office is presently updated and at a level to sufficiently meet the statutory purposes of the fund and the county recorder's office;
  - (C) the fund has a sufficient reserve, consistent with the recorder's plan, to capitalize the next technology or other records management upgrade necessary to fulfill the statutory purpose of the fund and the county recorder's office; and
  - (D) the county recorder specifically requests that all or a specific, identifiable portion of the fund be used to pay the expenses of the county recorder's office for the following calendar year; and
- (2) the county fiscal body adopts an ordinance approving the recorder's request under subsection (c)…”

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## ***IC 36-2-7-10.2 states (Continued):***

(c) Upon receiving the county recorder's sworn statement, the county fiscal body may adopt an ordinance approving the county recorder's request. If the ordinance is adopted, the county fiscal body shall, if specifically requested by the recorder for the following calendar year, approve sufficient money from the fund. The county fiscal body may not approve any more money from the fund for any purpose in excess of that requested by the county recorder.

(d) A county recorder's request and the county fiscal body's approval are valid for only the following calendar year. The requirements of this section must be met for each calendar year.

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## ***Key Phrases – IC 36-7-10.2***

- Effective July 1, 2014
- Recorder's records perpetuation may be used for expenses of the county recorder's office if:
  - For the following calendar year
  - The county recorder submits to the fiscal body a sworn statement
  - The county fiscal body adopts an ordinance approving the recorder's request.

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## **Key Phrases – IC 36-7-10.2 (Continued)**

### Sworn Statement

- The current revenue to the fund is sufficient to fulfill the **statutory purpose** of the fund
- The technology is presently updated and at a sufficient level to meet the **statutory purposes** of the fund and office.
- The fund has sufficient reserve consistent with the **recorder's plan**.
- Specifically requests that **all or a specific identifiable portion** of the fund be used to pay the expenses of the office for the calendar year.

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## **The Plan – IC 36-7-10.2**

- What is the useful life of your current technology.
- What contingency plan is in place if your technology is no longer supported by the vendor.
- What is the cost of new technology or technology upgrades.
- How will you finance the next upgrade or the next purchase of new technology. Do you have sufficient reserves in place.
  - Will you be building up your reserves over time (define how much per year and number of years)
  - How much do you need in reserve for your contingency plan.
  - What is the history of revenues to this fund over the past few years.

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## ***The Approval – IC 36-7-10.2***

- Fiscal body may adopt an ordinance approving the county recorder's request.
- If the ordinance is adopted the fiscal body shall approve sufficient money from the fund.
- The fiscal body may not approve any more money from the fund for any purpose in excess of that requested.
- Valid for only the following calendar year and requirements must be met for each calendar year.

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## ***Audit Expectations***

- First expectation is that the record perpetuation fund has been used for expenditures related to preservation of records and improvement of record keeping system.
- If not, we will be looking for the sworn statement and ordinance approving the requested amount and audit for compliance with the statement and ordinance.
- If the county is not compliant with the statute, there could be a finding and there could be a request to restore funds to the record perpetuation fund.

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## ***Additional Funds***

### County Elected Officials Training Fund

IC 6-2-7-19 states: “(a) As used in this section, "fund" refers to a county elected officials training fund established under subsection (b).

(b) Each county legislative body shall before July 1, 2011, establish a county elected officials training fund to supplement appropriations that may come from the county general fund to provide training of elected officials. The county fiscal body shall appropriate money from the fund.

(c) The fund consists of money deposited under IC 36-2-7.5-6(b)(2) and any other sources required or permitted by law. Money in the fund does not revert to the county general fund.

(d) Money in the fund shall be used solely to provide training of county elected officials required by IC 33-32-2-9, IC 36-2-9-2.5, IC 36-2-9.5-2.5, IC 36-2-10-2.5, IC 36-2-11-2.5, and IC 36-2-12-2.5.”

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## ***Additional Funds***

### County Identification Security Protection Fund

IC 36-2-7.5-11 states: “A county recorder may use the fund only to purchase, upgrade, implement, or maintain redacting technology, or to secure protection measures used in the office of the county recorder.”

Money in the fund may be transferred to the county recorder’s records perpetuation fund.

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## ***Claims (Continued)***

- What is the Auditor looking for when auditing the claim?
  - Claim must be itemized and supported
  - Prices charged are in accordance with contracts awarded, where applicable
  - Quantity and unit price added to agree to total on invoice
  - Claim must be approved by officer receiving the goods or services
  - Sufficient funds and appropriations are available
  - Claim has not been previously paid

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## ***Claims (Continued)***

- Additional Information needed:
  - Fund Number
  - Account Number
  - Any applicable determination made

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## ***Reconciling***

Indiana Code 5-13-6-1(e) states: “ All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of local officers, with the balance statements provided by the respective depositories.”

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## ***Monthly & Annual Engagement Uploads***

- Monthly
  - Bank Reconcilements, Bank Statements, and Outstanding Check Lists
  - Cash Balance Report (Cash Book) – Form 3, The Recorders Fee and Cash Book
- Annually
  - Nothing

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## ***Monthly Engagement Uploads: Due Dates***

- January monthly files – March 15th
- February monthly files – April 15th
- March monthly files – May 15th
- April monthly files – June 15th
- May monthly files – July 15th
- June monthly files – August 15th
- July monthly files – September 15th
- August monthly files – October 15th
- September monthly files – November 15th
- October monthly files – December 15th
- November monthly files – January 15th
- December monthly files – February 15<sup>th</sup>

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# ***RESOURCES***



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## ***State Board of Accounts***

- County Directors
  - Ricci Hofherr
  - Staci Byrns

Phone: (317)232-2512

Email: [Counties@sboa.in.gov](mailto:Counties@sboa.in.gov)

Website: [www.sboa.in.gov](http://www.sboa.in.gov)

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# Gateway Website

- [www.Gateway.ifonline.org](http://www.Gateway.ifonline.org)
  - Public Website
  - State Board of Accounts
    - Monthly / Annual Uploads

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## Gateway Access

- Email [Gateway@sboa.in.gov](mailto:Gateway@sboa.in.gov)
  - Name
  - Position Elected
  - 1<sup>st</sup> Day of Term
  - Outgoing Officials Name
  - Outgoing Officials Email (if known)
  - Outgoing officials last Day of Term



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- Food and Beverage Tax Form Upload Tool >
- Elected Official Certification of Training Courses Upload Tool >



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# ***Indiana General Assembly***

- [www.iga.in.gov](http://www.iga.in.gov)
- Laws
  - Indiana Code
  - Structure: Title-Article-Chapter-Section
- Legislation
  - New legislation proposed in Bills

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# **THANK YOU**

Government Technical Assistance & Compliance (GTAC) Directors

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