Fall District Meeting

Indiana League of Municipal Clerks & Treasurers
October 2018

End of Year Duties

• Annual Financial Report - Gateway
• Form 100-R - Gateway
• Annual Uploads – Gateway
• Appropriation Transfers
• Encumbered Appropriations
• Cancellation of Warrants
• Names & Addresses to County Treasurer
• Local Road & Street Annual Operational Report
Annual Financial Report – Gateway

- Required by IC 5-11-1-4
- Due 60 days after end of year  
  *March 1, 2019*
- No Major Changes to the Reporting / Gateway

Annual Financial Report – Miscellaneous

**Capital Assets**
- Report asset amounts as of December 31st
- Make sure your Capital Asset Register is updated through year end

<table>
<thead>
<tr>
<th>Government or Enterprise</th>
<th>Land</th>
<th>Infrastructure</th>
<th>Building</th>
<th>Improvements Other Than Buildings</th>
<th>Machinery Equipment, and Vehicles</th>
<th>Construction in Progress</th>
<th>Books and Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Activities</td>
<td>$1,321,051.43</td>
<td>$1,501,230.05</td>
<td>$256,451.16</td>
<td>$0.00</td>
<td>$10,215,652.10</td>
<td>$0.00</td>
<td>$1,365,170.02</td>
</tr>
<tr>
<td>STORM WATER (Storm Water Utility)</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>WASTEWATER (Wastewater Utility)</td>
<td>$100,003.00</td>
<td>$4,280,047.73</td>
<td>$16,025,040.46</td>
<td>$0.00</td>
<td>$1,005,723.10</td>
<td>$0.00</td>
<td>$300,022.11</td>
</tr>
<tr>
<td>WATER (Water Utility)</td>
<td>$288,110.10</td>
<td>$1,435,030.28</td>
<td>$3,574,055.08</td>
<td>$0.00</td>
<td>$721,055.70</td>
<td>$0.00</td>
<td>$524,995.30</td>
</tr>
</tbody>
</table>
Debt Schedule

• Report debt amounts as of December 31st
  ➢ Debt Classification (revenue bonds, general obligations, etc.)
  ➢ Description of Debt
  ➢ Ending Principal Balance @ 12/31/18
  ➢ Principal and Interest Due in 2019

Account Payable/Receivable

• Report Accounts Payable at December 31
• Report Accounts Receivable at December 31
Financial Assistance to Non Governmental Entities

- Answer “yes” on Unit Questions
- Enter information of financial assistance given to non governmental entities
  - Volunteer Fire Departments
  - YMCA
  - Youth Leagues
  - Senior Citizen Center

<table>
<thead>
<tr>
<th>Name</th>
<th>Federal Tax ID</th>
<th>Street Address</th>
<th>Suite No.</th>
<th>City</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council for Economic Development</td>
<td>29-1038412</td>
<td>One Courthouse Plaza</td>
<td></td>
<td>Drewfield</td>
<td>in</td>
</tr>
<tr>
<td>Boys &amp; Girls Clubs</td>
<td>29-073623</td>
<td>718 E Lincoln Street</td>
<td></td>
<td>Greenfield</td>
<td>in</td>
</tr>
<tr>
<td>Hancock County Senior Services</td>
<td>21-0135057</td>
<td>242 E Main Street</td>
<td></td>
<td>Greenfield</td>
<td>in</td>
</tr>
<tr>
<td>Greater City of Drewfield Inc.</td>
<td>29-2951519</td>
<td>110 E State Street</td>
<td></td>
<td>Greenfield</td>
<td>in</td>
</tr>
<tr>
<td>Kenneth Butler Soup Kitchen</td>
<td>63-0321905</td>
<td>202 E Main Street</td>
<td></td>
<td>Greenfield</td>
<td>in</td>
</tr>
</tbody>
</table>
Items to Include in AFR:
• SRF / Bank of New York transactions
  ✓ These are financial transactions of your city/town
  ✓ Should be reported on your ledgers
  ✓ Consequently reported on the AFR

Items Not to Include in AFR:
• Redevelopment Authorities
  ➢ Separate entity per IC 36-7-14.5-7
  ➢ Subject to SBOA audit [IC 36-7-14.5-7(c)(1)]
  ➢ Should be reported separately, not on city/town AFR
  ➢ Accounting & Financial Reporting Regulation Manual – Part III
    “No funds from outside organizations associated with the entity
    shall be included.”
  ➢ Not to be confused with Redevelopment Commissions – which are a
department of a city/town.
Items *Not* to Include in AFR:

- Redevelopment Authorities (continued)
  - If you have a RDA, please provide the following information:
    - RDA Legal Name
    - Street Address, City, and Zip
    - County Name
    - Contact Person
    - Phone & Email for Contact Person
    - Copy of Ordinance Creating the RDA

Form 100-R – Certified Report of Names, Duties, & Compensation

- Required by IC 5-11-13-1
- Due during the month of January for the preceding year  
  *January 31, 2019*
- No Changes to the Reporting
Annual Uploads in Gateway

**Bank Statement**
- December 2018 statement
- For each bank account you have
- Does not require images of checks
- No reconcilement here – it will be with the monthly uploads

**Outstanding Checklist**
- Detailed list
- Checks written but not cleared bank
- Total should agree to amount on the reconcilement
- Include
  - check date
  - check number
  - check amount
Annual Uploads in Gateway

**Investment Statement**
- Similar to checking account statement
- December 2018 account statement
- For all investment accounts

**Detail of Receipt Activity**
- Does not apply if hand-posted records
- Listing of all receipts issued and posted during the year
- Most systems have a “history” function that should provide this information
- May need to contact your vendor
- Include receipt numbers
Annual Uploads in Gateway

**Detail of Disbursement Activity**
- Does not apply if hand-posted records
- Listing of all non-payroll disbursements issued and posted during the year
- Most systems have a “history” function that should provide this information
- May need to contact your vendor
- Include check numbers & vendor names

**Employee Earnings Record**
- Does not apply if hand-posted records
- Listing of all payroll checks issued by employee
- Most systems have a “history” function that should provide this information
- May need to contact your vendor
- Include check numbers & employee names
Annual Uploads in Gateway

**Current Year Salary Ordinance**
- Scan & upload 2018 salary ordinance(s) in effect at end of year
- Used to do this in Risk Assessment; no longer required there

**Vendor History Report**
- Does not apply if hand-posted records
- Detailed listing of all vendors to whom checks were issued during the year
- Should show a total by vendor
- Most systems have a “history” function that should provide this information
- May need to contact your vendor
Appropriation Transfers

**Indiana Code 6-1.1-18-6: Transfers of appropriations**

Transfers from one major budget classification to another within a department or office if:

- It is determined that the transfer is necessary;
- The transfer does not require the expenditure of more money than the total amount set out in the budget;
- The transfer is made at a regular public meeting and by proper ordinance or resolution.
- Such a transfer can be made without notice and without approval of DLGF.

Encumbrances

**Encumbered Appropriations:**

Those items under *purchase order* or *contract* are to be added for each appropriation account and the total carried to the new 2017 corresponding account.

The actual unpaid amount of the purchase orders or contracts should be totaled and shown as a separate amount on the appropriation ledger for 2017 (with proper explanation) and added to the 2017 appropriation for the same purpose.
Encumbrances

**Encumbered Appropriations:**

By carrying out this procedure, the 2019 budget will not be excepted to stand any expense not anticipated in making the budget.

We recommend:

- *the proper city/town officials make a listing of these encumbered items*
- *make it a part of their minutes in their last business meeting of the year*

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**Encumbrances**

The appropriations encumbered and carried forward can be used for no other purpose other than the purchase order or contract for which they were appropriated.

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Indiana State Board of Accounts
2018
Indiana Code 5-11-10.5: Cancellation of Warrants

Old Outstanding Checks
- All checks outstanding and unpaid for a period 2 years as of December 31 of each year shall be declared cancelled.

Example – At December 31, 2018;
  - Check #1234 was written on February 27, 2016 and has not cleared the bank and is on the outstanding check list. At 12/31/18, it would be considered “cancelled”.
  - Check #9876 was written on November 2, 2017 and has not cleared the bank and is on the outstanding check list. At 12/31/18, this check would not be considered “cancelled” and should remain on the outstanding check list.

“Old” (or stale) checks are receipted back to your ledger into the fund(s) from which they were originally drawn and removed from the outstanding check list. If fund(s) can’t be determined – put in General fund.
Names & Addresses to County Treasurer

- June 1 & December 1
- Disbursing officer shall certify
  - name
  - address
  of each person who has money due to them from the city/town.

- County Treasurer shall search their records to ascertain if anyone on the list is delinquent in payment of property taxes.  [IC 6-1.1-22-14]

IC 6-1.1-22-15 –

If the county treasurer finds that a person whose name is certified to him is delinquent in the payment of taxes, the treasurer shall certify the name of that person and the amount of delinquency to the official of the political subdivision who is to make payment to the person.

The disbursing officer shall periodically make deductions from money due the person and shall pay the amount of these deductions to the county treasurer. (our emphasis).
Indiana Code 8-17-4.1

- Requires an operational report to be prepared by all cities and towns having a population of 15,000 or more with road and street responsibilities.
- The report shall list all receipts and disbursements related to the municipality’s road and street system made from any of the municipal funds.

Due June 1st
- Starting in 2019, will be uploaded to LTAP Asset Management Database
- LTAP, INDOT, and SBOA will have access
- Look for statutory changes on filing requirements
Electronic Forms

Contractor's Bid for Public Work (Form 96)

Petition for Waiver or Reduction of Property Taxes Against a Brownfield - County Form 137BR

Highway (Local Road and Street) Annual Report

Instructions for the Highway Annual Report

Local Road & Street Annual Operational Report

Highway Annual Operational Report

We have been working with INDOT, DAF, AAM, and local officials to update the Annual Operational Report for local roads and streets. Effective July 1, 2018, this report is required to be filed by all counties and cities with a population of 15,000 or more. The new report will provide additional information needed by INDOT for federal reporting and provide our legislators and community with more useful information about the funding being used to support highway and street operations. The new report will be implemented for the 2018 reporting year which is due in 2019. However, we have been training on the new report so that departments can plan their budget and expenditure classifications in a manner that would allow for compliance with the 2018 reporting.

We held training webinars December 5, 2017 in which highway departments officials, street department officials, county and city fiscal officers, and software vendors were invited to participate in. During the webinar, those attending were welcome to ask questions. We are providing one of the webinars, a list of all the questions and answers from both of the webinars, and a draft copy of the new report below as training material. The draft copy of the new report is not a final version, but can be used for budgeting purposes as we do not expect to make any major changes at this point only minor formatting and wording changes. You are welcome to play around with the report, but please do not submit the report for 2017 reporting due in 2018.

If you have any questions or feedback about the report please call our office at (317)252-2512 or send your emails to HighwayReport@ois.in.gov.

- Report Submissions
- Link to Training on YouTube
- Link to PowerPoint Presentation
- Questions and Answers from Webinars
MVH – 50% Restrictions

Indiana Code 8-14-1-5(c):

“For funds distributed to a city or town from the motor vehicle highway account, the city or town shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the city's or town's highways.”

Can’t include

- Snow plowing expenses
- Salt, etc.

In your 50% calculation
### MVH – 50% Restrictions

#### Permissible Preservation Activities

- Crack sealing
- Pavement Patching
- Chip Seals
- Bridge deck patching
- Thin overlays
- Microsurfacing
- Grinding
- Grading Unpaved Sections
- Raised Pavement Markers
- Culvers and Pipes
- Work on Right-of-Way (ROW)

#### Not Permissible as Preservation Activities

- Winter Operations
- Pothole Filing
- Graffiti Removal
- Repairs - Accidents
- Thin overlays
- Storm Clean-up
- Removal of Animals
- Grass Cutting
- Tree Trimming
- Street Cleaning
Indiana Code 8-14-1-5(c):

“For funds distributed to a city or town from the motor vehicle highway account, the city or town shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the city’s or town’s highways.”

- Encumbered appropriations do not equate to “used” (or disbursed) money.
- Checks actually issued in a year is what we will use to determine if MVH distributions have been used.
Indiana Code 5-11-1-27(g)

- “After June 30, 2016, the legislative body of a political subdivision shall ensure that:

  1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and

  2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision.”

Indiana Code 5-11-1-27(c) defines “personnel”:

“As used in this section, "personnel" means an officer or employee of a political subdivision whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to funds that belong to the federal government, state government, a political subdivision, or another governmental entity.”
Internal Controls – Adoption/Training/Certifications

Remember:

- Council should adopt minimum standards - if they haven’t already
- Training for any new employees in 2018
- Certify on the AFR in Gateway correctly


AFR Unit Questions

The following must be filed with the Annual Report per IC 5-11-1-27 (h).

I certify that my unit has adopted the minimum internal control standards as required per IC 5-11-1-27(e).

- Yes  - No

If yes, I certify that all personnel defined by IC 5-11-1-27(c) received training concerning the internal control standards adopted by my unit.

- Yes  - No

Make sure you answer these questions correctly
Nepotism Annual Certification

**Indiana Code 36-1-20.2-16:**

“Each elected officer of the unit shall annually certify *in writing*, subject to the penalties for perjury, that the officer has not violated this chapter. An officer shall submit the certification to the executive of the unit *not later than December 31* of each year.” *[emphasis added]*

Contracting with a Unit Annual Certification

**Indiana Code 36-1-21-6:**

“Each elected officer of the unit shall annually certify *in writing*, subject to the penalties for perjury, that the officer is in compliance with this chapter. An officer shall submit the certification to the executive of the unit *not later than December 31* of each year.” *[emphasis added]*
Contact Information

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Directors of Audit Services

cities.towns@sboa.in.gov

317-232-2513

Indiana State Board of Accounts
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