

# THE COUNTY BULLETIN

## And Uniform Compliance Guidelines

### ISSUED BY STATE BOARD OF ACCOUNTS

Vol. No. 438

September 2023

#### **REMINDER OF ORDER OF BUSINESS**

#### **October**

- 9 Columbus Day – Legal Holiday (IC 1-1-9-1)
- 20 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.
- 25-27 Auditors Annual Fall Conference
- 31 Last day to file quarterly unemployment compensation report with the Indiana Department of Workforce Development.

#### **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))
- 7 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)  
  
Veterans Day – Legal Holiday (IC 1-1-9-1)
- 20 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.
- 23 Thanksgiving Day – Legal Holiday (1-1-9-1)

#### **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)
- 20 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.
- 25 Christmas Day – Legal Holiday (IC 1-1-9-1)
- 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.

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**COMMISSIONS ON VENDING MACHINES**

The following is our audit position concerning vending machine placement, use, maintenance, and commissions.

IC 36-2-7-2 states:

“Except as otherwise provided by section 6, 9, and 13 of this chapter, the compensation fixed for county officers and employees under this title is in full for all governmental services and in lieu of all:

- (1) fees;
- (2) per diems;
- (3) penalties;
- (4) costs;
- (5) interest;
- (6) forfeitures;
- (7) percentages;
- (8) commissions;
- (9) allowances;
- (10) mileage; and
- (11) other remuneration;

which shall be paid into the county general fund.”

1. There should be a clearly defined procedure adopted by the governing body of the unit concerning placement, maintenance, and commissions of vending machines on their property.
2. All revenues generated and costs incurred in operating vending machines located on the unit's premises should be accounted for through the unit's records.
3. If vending machines are located in restricted areas (areas other than those available to the public) and if the unit's governing body wishes for those revenues to be restricted for the use and benefit of those employees who use the machines and generate the revenues, the State Board of Accounts takes no exception to such action in an audit. This decision must be authorized by ordinance (or resolution) of the proper legislative body of the unit.
4. If vending machines are located in areas where the public makes use of the machines and generates the resulting revenues, we instruct officials to place the revenues in the unit's general fund for the benefit of the general public, the machine users. Any alternative procedure(s) would be reviewed and evaluated on a case by case basis during our audits. As stated in No. 3 any alternative procedure should be authorized by ordinance (or resolution) of the proper body.
5. In the event personnel other than the unit's personnel maintain, stock, and clean up around the vending machines, we would take no audit exception when such persons are paid for these services. In this situation, a written agreement should be entered into listing the services rendered, the amount to be paid for such services, timing of payments, and any other areas deemed necessary by the contracting parties or the governing body of the unit.

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**DELINQUENT PUBLIC UTILITY TAXES**

Pursuant to IC 6-1.1-8-38: Taxes which are based upon an assessment which is made under this chapter are a lien upon the property assessed. This lien accrues on the assessment date of the year of assessment. In addition, the taxes are a personal debt of the public utility company in whose name the property is assessed.

If public utility company does not pay the taxes when they are due, the county treasurer shall notify the prosecuting attorney of that fact. The prosecuting attorney shall then bring an action against the company to recover the delinquent taxes or to enforce the lien upon the property, or both. In such an action, the judgment shall include a penalty equal to fifty percent (50%) of the delinquent taxes. This subsection does not apply to taxes on a railroad car company's indefinite-situs distributable property.

**LIQUOR PERMITS**

The State Board of Accounts is a post-audit agency and as such does not have the authority to render legal opinion. However, when necessary, this department has found it necessary to develop a departmental position in regard to the audit of governmental entity. These audit positions have been developed by using references such as, the Indiana Code, Court Cases, and the Opinions of the Attorney General.

IC 7.1-3-21-15 state in part:

"The commission shall not issue, renew, or transfer a wholesaler, retailer, dealer, or other permit of any type if the applicant:

(1) is seeking a renewal and the applicant has not paid all the property taxes under IC 6- 1.1 and the innkeeper's tax under IC 6-9 that are due currently.

(2) is seeking a transfer and the applicant has not paid all the property taxes under IC 6- 1.1 and the innkeeper's tax under IC 6-9 for the assessment periods during which the transferror held the permit;"

Except for mobile homes, which are due in the year assessed and certain other exceptions as listed, IC 6-1.1-22-9 requires that "the property taxes assessed for a year under this article are due in two equal installments on May 10 and November 10 of the following year."

IC 6-1.1-1-2 defines assessment date as January 1 for all tangible property. This would appear to mean that the assessment period for all tangible property (except mobile homes) would be January 1, 2023 through December 31, 2023 and would be payable in two equal installments on May 10 and November 10, 2023.

In the case of a transfer of an Alcoholic Beverage Commission permit requested in July 2023, it would appear that the applicant would need to have paid all property taxes due through November 10, 2024. We base this on the requirement that the applicant is to pay all property taxes under IC 6-1.1 for the assessment periods which the transferror held the permit. The applicant technically held the permit in July 2023, which falls in the assessment period of January 1, 2023 through December 31, 2023, with taxes due in two equal installments on May 10 and November 10, 2024. Technically it would appear that in order for the County Treasurer to certify on transfer, both the May and November 2024 would need to be paid.

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**LIQUOR PERMITS (Continued)**

This would appear reasonable, since IC 6-1.1-2-4 states that “The owner of any tangible property on the assessment date of a year is liable for the taxes imposed for that year on the property.” This would appear reasonable since a permit for renewal would be the same owner, who would continue to be liable for the taxes imposed on January 1, 2023 payable on 2024. On the other hand, the transfer of a permit would indicate that the owner is changing and, since the taxes would be assessed to the owner of record, the owner would be liable for the taxes imposed on January 1, 2023 and payable in 2024. It would then appear that before transferring the permit to a new owner all taxes imposed on the previous owner should be paid.

This is not to be construed as a legal opinion, but merely represents the position this department would take in its audit of counties. The audit position of the State Board of Accounts does not preclude other individuals or entities from taking exception to the actions of a unit of government.

**BANK/CREDIT CARD PAYMENTS TO COUNTIES**

A payment to a county may be made by any of the financial instruments that the fiscal body of the county authorizes for use, as listed in IC 36-1-8-11. If there is a charge to the county for the use of a financial instrument, the county may collect a sum equal to the amount of the charge from the person who uses the financial instrument. If authorized by the fiscal body of the county, the county may accept payments with a bank card or credit card. However, the procedure authorized for a particular type of payment must be uniformly applied to all payments of the same type.

The county may contract with a bank card or credit card vendor for acceptance of bank cards or credit cards and may pay any applicable bank card or credit card service charge associated with the use of a bank card or credit card. However, if there is a vendor transaction charge or discount fee the county may collect from the person using the card an official fee that does not exceed the transaction charge or discount fee and/or a reasonable convenience fee. The convenience fee may not exceed \$3 and must be uniform regardless of bank or credit card used.

It is our guidance that the fee collected be deposited in the general fund.

**BANK/CREDIT CARD PAYMENTS TO COUNTY COURTS**

Pursuant to IC 33-37-6-2, the clerk may contract with a bank or credit card vendor for acceptance of bank or credit cards in payment of bail, fines, civil penalties, court fees and costs, or fees for the preparation, duplication, or transmission of documents. However, if there is a vendor transaction charge or discount fee, whether billed to the clerk or charged directly to the clerk’s account, the clerk shall collect a fee from the person using the bank or credit card.

IC 33-37-6-3 requires that, the court clerk shall forward credit card service fees collected to the county auditor. These fees may be used without appropriation to pay transaction charges or discount fees charged by the bank or credit card vendor.

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**COST SAVING INCENTIVE PROGRAM**

Pursuant to IC 36-1-13, counties may establish a cost saving incentive program to develop and implement cost saving measures. The program may include awards to employees who suggest cost saving measures and must be established by ordinance.

**STATE GAMING FUND – REVENUE SHARING**

The State will distribute wagering taxes to the county treasurer of each county that does not have a riverboat. IC 4-33-13-6 requires such distributions to be placed in the county's general fund or riverboat fund, or both. The distributions may be used to carry out any governmental purpose for which money is appropriated by the county's fiscal body.

**FINANCIAL ASSISTANCE TO NON-GOVERNMENTAL ENTITIES**

Counties providing financial assistance to non-governmental entities are required to notify those entities annually in writing the following information:

- (1) The Entity Annual Report (E-1) filing requirement established by IC 5-11-1-4 and the audit requirement established by IC 5-11-1-9;
- 2) The source(s) of the funding provided;
  - a) Local and/or state funds (in the case of subsidies, contributions, or general aid),
  - b) Federal grants passed through including the formal name of the program and CFDA number, or
  - c) Fee for service arrangements,
- 3) The State Board of Accounts may request documentation to support the categorization of the financial assistance,
- 4) The E-1 is not to be confused with the Secretary of State's Business Entity report, and
- 5) The entity may obtain additional information from the State Board of Accounts at [notforprofit@sboa.in.gov](mailto:notforprofit@sboa.in.gov).

Furthermore, this financial assistance provided is to be reported by the county on the Annual Financial Report via Gateway.

Entity" is defined in IC 5-11-1-16 as "any provider of goods, services, or other benefits that is: (1) maintained in whole or in part at public expense; or (2) supported in whole or in part by appropriations or public funds or by taxation." This includes for-profit and not-for-profit corporations, unincorporated associations, organizations, individuals, etc. Examples of non-governmental entities are volunteer fire departments, a local YMCA, youth leagues, senior citizen centers, 4-H clubs, daycare centers, health service organizations, emergency medical service organizations, community centers, historical societies, etc.

Mental health facilities that are provided funds by counties under IC 12-29-2-1.2 should file an Entity Annual Report (E-1) with the State Board of Accounts via Gateway. IC 12-29-2-1.2(a) states in part: "the county executive of a county may authorize the furnishing of financial assistance . . . to a community mental health center. . ." Even though the statute provides restrictions on what the financial assistance can be used for, the maximum appropriation/funding allowed, and when and to whom the payments are made (either the division of mental health and addiction or a community health center), the essential nature of the funding as voluntary, financial assistance is not changed. As such, this is considered financial assistance and counties need to notify each entity receiving this funding of their responsibility to report this on the E-1 report.

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**FINANCIAL ASSISTANCE TO NON-GOVERNMENTAL ENTITIES (Continued)**

Financial assistance to non-governmental entities is defined as payments received in the form of grants (whether from local, state, or federal sources), subsidies, contributions as permitted by statute, aid, or other agreements. For more information on what constitutes financial assistance, please refer to the State Board of Accounts' Uniform Compliance Guidelines for Examinations of Entities Receiving Financial Assistance from Governmental Sources found on the State Board of Accounts' website at [www.in.gov/sboa\\_under\\_Private\\_Examiner\\_Audits/Non-Governmental\\_Entities\\_Receiving\\_Governmental\\_Assistance/Uniform](http://www.in.gov/sboa_under_Private_Examiner_Audits/Non-Governmental_Entities_Receiving_Governmental_Assistance/Uniform) Compliance Guidelines.

Each non-governmental entity receiving financial assistance from governmental units is required to submit a Gateway financial report, the E-1, in accordance with IC 5-11-1-4(a). Information requested includes the source and use of financial assistance provided by governmental units. The entity is subject to a State Board of Accounts audit in accordance with IC 5-11-1-9 if certain funding thresholds are met.

**ADVANCE PURCHASE ORDERS**

Processing accounts payable requires certain procedures. IC 5-11-10-1.6 lists the requirements for paying a claim by a political subdivision. Based on that statute, the State Board of Accounts Uniform Guidance had provided that payments could not be made in advance of the receipt of goods. The reason for that guidance was that a signature of the person receiving goods must be part of the claim's process. There was a provision for payment in advance of the governing body's approval in certain circumstance but not in advance of the receipt of the goods or services. 2023 legislation change IC 5-11-10-1.6 to allow for payment of claims in advance of the receipt of goods or services with specific requirements for that purchase.

IC 5-11-10-1.6(d)(3) provides the first exception for counties to the requirement that the receipt of goods and services be certified before payment. When there is a public works project and the county chooses to do so, they can make advance payments to the contractors for the specific purpose of allowing the contractor to purchase supplies and materials needed to complete the county's project. To do this, the solicitation for bids for the public works project must include certain items. Those items include the statement:

1. that the county will make advance payments to contractors to enable contractors to purchase materials,
2. any limitations on the amount of advance payment that will be made,
3. requirements for documentation relating to making advance payments to contractors for materials, and
4. any other information about advance payment for materials the political subdivision considers useful to contractors that make offers.

IC 5-11-10-1.6(d)(4) provides the second exception for counties, which allows for prepayment related to advance payments on the receipts of goods and services (public purchases). The fiscal body must authorize making advance payments and must do all the following:

1. track prepayments by defining the prepayment on a purchase order,
2. create a prepayment invoice that is associated with the purchase order, and
3. require insurance or a surety bond in the amount of the prepayment if the amount of the prepayment is more than one hundred fifty thousand dollars (\$150,000).

For prepayments associated with public works or public purchases, IC 5-11-10-1.6(e) provides that no more than 50% of the entire cost of the contract can be prepaid with up to a limit of \$2,000,000.

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**ADVANCE PURCHASE ORDERS (Continued)**

The reason SBOA guidance states that payments should not be made prior to the receipt of goods or services, except as authorized by statute, is to protect the county from paying for goods and services that they never receive. In allowing for prepayment for materials, the county needs to include requirements that substantiate that the materials were purchased for the counties project only and were used on that project. Prepayment of materials increases the counties risk for loss of funds, which can be mitigated with proper procedures and internal controls.

The county also needs to make sure the goods and services it pays for are being received. If your council approves making a prepayment, internal controls need to be established with procedures and policies that govern how the county will track from the prepayment to the receipt of goods and any final payment due. This will require the use of purchase orders and invoices for the prepayment. The purchase needs to be tracked before the final payment is made, there should be a certification that goods and services were received.

As an example of this process, assume a county is considering the purchase a dump truck, but the manufacturer won't even start building the dump truck without half of the cost being paid up front. The highway department asks the council for approval to do a prepayment on this purchase. An invoice for the total cost with the required prepayment is attached to a purchase order that is approved by the governing board during the claims process. The warrant for the prepayment is issued and a check sent to the vendor for the approved prepayment amount. When the truck is received a claim is completed for the final payment, and a copy of the purchase order and final invoice is attached to the claim to show the prepaid amount. The final payment is then made.

To aid in the tracking of prepayments we have created a new prescribed form, 98P called a Purchase Order Prepayment. The new prescribed form does not replace the form 98 Purchase Order, but the new form is to be used when a prepayment is made to track from prepayment to receipt of goods and any final payment due. The top half of the form 98P is the same as the form 98, which lists: the quantity, number of units, description, unit price and total amount of the order. The bottom half of the form is what is new for prepayments, it lists; prepaid amount, prepaid check number, prepaid check date, invoice number, and total amount remaining of the order. It also has a space to document that a surety bond has been issued or is not required. The prepayments section also lists the Indiana Code for further requirements, if needed. The form 98P can be obtained through your local print vendor, please contact us with any questions regarding the form.

**AMENDMENTS TO STATE EXAMINER DIRECTIVE 2018-1**

As of August 22, 2023, the State Examiner Directive 2018-1 was amended to include additional requirements for the Monthly and Annual Engagement Uploads application within the "Indiana Gateway for Government Units" (Gateway). There were no amendments made to the requirements for monthly uploads for the County Auditors, Treasurers, Clerks, Records, or Sheriffs.

The amendments to the annual uploads include the following requirements which have been added to the Directive for the County offices noted below, all changes are in bold:

County Auditor

- Excel Data Capture/Data Dump **(no longer optional)**
- Detail of Receipts **by fund and account (if Data Capture not available)**
- Detail of Disbursements **by fund and account (if Data Capture not available)**
- **Accounts Payable/Accounts Receivable Schedule support**
- **Direct Federal Grant Agreements/Award Letters and Amendments initiated during the year**
- **Agreements for Subawards made to Subrecipients for all Federal Grants initiated during the year**

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**AMENDMENTS TO STATE EXAMINER DIRECTIVE 2018-1 (Continued)**

County Treasurer

- **Register of Investments, General Form 350**

**GAAP and ACFR units only:**

- **Capital Assets Ledger, General Form 369**

The Monthly and Annual Engagement Uploads are a great asset to our field examiners by improving audit quality, efficiency, and providing a more cost-effective audit process. A link to the fully amended State Examiner Directive can be found on our website: [https://www.in.gov/sboa/files/Directive-2018-1-Amended-8\\_22\\_23.pdf](https://www.in.gov/sboa/files/Directive-2018-1-Amended-8_22_23.pdf). For any questions that you have concerning the additional upload requirements, please don't hesitate to contact the County Directors.

**POLICIES AND PROCEDURES FOR THE ADDITION OF PROPERTY TAX PENALTIES**

The State Examiner issued Directive 2023-1 on August 10, 2023, requiring each county to establish policies and procedures for the addition of the tax penalty. IC 6-1.1-37-10 provides guidance on how to determine if a tax payment is late and what penalty to apply. However, each county must establish their own policies and procedures documenting how they process a payment that is physically received after the statutory due date of May 10 and November 10.

The county needs to assign personnel to process these payments. In addition, the county should establish written procedures that should be followed each time a payment is received after the due date. Each step in the process should be outlined. For each payment, physically received after the due date, the procedure should state how the county documents the date received. The steps that are followed to apply the statute to the payment to determine if a penalty should be applied. This is especially true in cases where the envelope does not have a post mark. To illustrate, assume a taxpayer in your county had mailed their payment in and thought it was timely but received a late penalty. When they approach your office, can you show them when the payment was received, what steps you followed to determine that the payment was late and physical proof supporting your decision?

There should also be internal controls including review and approval processes to ensure that the policy is being applied consistently. Further, the policy should state what documentation is to be retained to support the decision that was made and for how long the documentation should be retained. During an audit, you should be able to provide the steps that were taken and the supporting documentation that the statute was applied properly.

**EXAMINATION OF RECORDS AND STATEMENT OF ENGAGEMENT COSTS**

At the end of an audit engagement the State Board of Accounts sends a notice of Statement of Engagement Cost to each political subdivision, including the County. This statement details a summary of the engagement including the number of days spent on the audit, the daily/hourly rate, and any report processing fees. We would like to point out that this statement is not an invoice that is to be paid by the entities.

A separate invoice for payment of these audit costs will be sent to the County for payment in accordance with IC 5-11-4. Immediately upon receipt of the certified statement, the county auditor shall issue a warrant on the county treasurer payable to the treasurer of state out of the general fund of the county for the amount stated in the certificate. The county auditor shall reimburse the county general fund, except for the expense of examination and investigation of county offices, out of the money due the taxing units at the next semiannual settlement of the collection of taxes.



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**EXAMINATION OF RECORDS AND STATEMENT OF ENGAGEMENT COSTS (Continued)**

If the county reasonably believes or knows that it does not have on hand or will not have collected enough taxes by the next distribution date for a taxing unit included on the examination of records billing, then the county auditor will send the certified statement to the taxing unit. The taxing unit should then contact the State Board of Accounts for directions on paying for the cost of the examination directly to the State Board of Accounts, instead of using settlement. It is important that the cost be paid off prior to the next audit. If the audit costs, due the State Board of Accounts, are not paid prior to the subsequent audit, it impairs the independence of the State Board of Accounts. This will delay future audits.

As the amount of federal funding to local governments has increased so has the need for single audits and more frequent audits which has helped drive up audit costs. We are now beginning to see this result in semiannual tax distributions that are not sufficient to pay the audit costs. It is important to plan and budget accordingly for these costs. It might be beneficial once an examination of records has been completed for the taxing unit to go directly to the county auditor if sufficient taxes will not be collected to pay the estimated costs of the examination of records. Having this conversation before receiving the certified statement from the county auditor can prepare the taxing unit for the payment of these costs. You can discuss with your field examiner during the exit, how you may best meet the costs. This may involve the use of other funds such as Rainy Day or if there are ARPA funds remaining under the revenue loss category, those can also be used to pay audit costs. If you have questions after the exit, please feel free to reach out to your State Board of Accounts Director for further assistance in looking for funds that can pay the audit costs.

When determining how these costs will be paid, it is also important to plan for the next year. During this determination, take into consideration the amount of federal assistance that you have disbursed during the year. If you have expended \$750,000 or more of federal awards (whether the award is direct or passed-through another entity) in a year the taxing unit is required to have a single audit conducted in accordance with the Federal Office of Management and Budget's Uniform Guidance. Single audits require an annual audit. If your unit does not need a Single Audit, there may be a longer time between your examinations. Since these costs could become an annual expense for the taxing unit, future budgets would need to be adjusted for those costs.

**QUESTIONS AND ANSWERS FROM COUNTY TREASURERS ANNUAL CONFERENCE**

Question #1: Our local depository is discontinuing the use of carbon copy deposit slips. Will my office need to create an "in office" copy of the deposit slip for dual signature verification (internal controls) or will the bank printed receipt of deposit be accepted?

Answer #1: You need procedures to document that the deposit was completed and reviewed. You could copy the deposit slip and then both the person who put the deposit together and the person reviewing the deposit could sign the copy. You also need to document that the deposit was made "intact". The deposit slip will show the amount in cash and the checks deposited. The receipt of deposit will only show the total amount deposited. Again, you can copy the deposit slip to document this.

Question #2: Alcohol tax clearance forms, will the State accept copies, or do they want a copy with stamped raised seal?

Answer #2: The clearance forms should include the embossed seal of the Treasurer, pursuant to IC 7.1-2-21-15.

Question #3: How can we find out if we are receiving all of the funds due to us from Marketplace Facilitators? For example, one of our "inns" go through VRBO. The inn has an address that is

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**QUESTIONS AND ANSWERS FROM COUNTY TREASURERS ANNUAL CONFERENCE (Continued)**

in another county, but the physical location is in our County. It has an address because you have to travel into one county because of the river to get to the other. Anyway, our “inn” owner is concerned that because of them having a different address (outside of our county) will not be getting the Innkeeper Tax. She said when she signed up with VRBO there was no place to enter what county it was in. She is worried that the other county will be receiving her Innkeeper Tax. In other words, can we find out if and how much each of our Marketplace Facilitators are paying and on behalf of which “inns”?

**Answer #3:** You need to reach out to the Department of Revenue to determine what has been paid to the State by marketplace facilitators for innkeeper’s tax.

**Question #4:** I also have another question. I read somewhere that there was a legislative bill to be considered where if there were excess funds in the County Elected Official Training fund the county treasurer could request some of it to be transferred to the Recorder Perpetuation Fund. Did that bill pass, or did it just die?

**Answer #4:** Yes, the bill did pass. IC 36-2-7-19 section e dictates how money in the fund may be used and number 4 states: (4) Upon determination by a county fiscal body that money in the fund exceeds the amount necessary to fund the expenses specified under subdivisions (1) and (2), the county auditor may, not later than December 31, 2023, transfer the excess money to the county recorder's records perpetuation fund established under section 10(f) of this chapter. This subdivision expires January 1, 2024.

**Question #5:** Regarding Innkeeper EFT funds, we had an Innkeeper change ownership. The new owners/manager thought they were supposed to pay the Innkeepers tax to the State. They requested a refund, and the State refunded their money from February and March. Then the Innkeeper paid our office in July for those two months. When an Innkeeper pays to the State in error, how do we know if it is deposited into the county’s account? What is included in the Innkeeper EFT?

**Answer #5:** You need to reach out to the Department of Revenue to determine what has been paid to the State for your County on Innkeeper’s tax.

**Question #6:** Our County has not signed a Confidential Agreement with the State. I believe that has to happen before we can pull any reports regarding the businesses that are sending funds directly to State for Innkeepers. Is that correct?

**Answer #6:** The signed confidential agreement is between the County Treasurer and the Tourism Commission. The State will not be part of that agreement.

**Question #7:** The Auditor is collecting all county bank statements and “reconciling” them. Reconciling them to what I don’t know. They don’t ask for any other information from departments. Is that a necessary part of their job? We’re happy to give them bank statements, but are auditors supposed to be reconciling departmental bank statements or is that just extra work?

**Answer #7:** As we talked about with duties, the Auditor is over the funds ledger and the Treasurer is over the bank. The Treasurer is the elected official that is responsible for reconciling the bank accounts. The Auditor is responsible for the fund’s ledger. This could be additional work.

**Question #8:** Is there code that says we are not allowed to hold a check for more than 48 hours?

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**QUESTIONS AND ANSWERS FROM COUNTY TREASURERS ANNUAL CONFERENCE (Continued)**

Answer #8: There is no code that we know of that requires a check to be held no longer than 48 hours. Daily deposit law requires that all collections be deposited daily.

Question #9: Alcohol permits: Taxes have to be paid in the name on the permit, the DBA on the permit, and the permit location. What about all the Corporate Personnel? I included a sample permit, and I highlighted all the names that we are checking for paid taxes. Please clarify what names need to be up to date on taxes.

Answer #9: The taxes need to be paid for the business, not each personnel member.

Question #10: Are claims/warrants approved by the county commissioners prior to the treasurer making the paper checks available to the auditor? (reference IC 5-11-10-2)

Answer #10: Yes. Before the checks can be issued/mailed, the governing board must have approved them.

**QUESTIONS AND ANSWERS FROM COUNTY CLERKS ANNUAL CONFERENCE**

Question #1: What documentation should be provided during daily reconciliements to comply with SBOA policies making audits flow smoothly? I'd like recommendations to ensure what we are doing is sufficient but also what else we could do for audit purposes.

- a. We supply the deposit ticket with our calculations of the batch totals to reflect what was receipted into the system matches the bank deposit.
- b. Scanned images of all checks receipted into the systems.
- c. Batches of each clerk included receipts from system and cash total taken for transaction, and credit card receipts.

Answer #1: From what you are stating it sounds like everything that could be needed is available. So, at the moment I can't think of anything that would make it go more smoothly. Has there been something mentioned during audit?

Question #2: What are the most common mistakes do the clerk's offices make, and how can we correct them?

Answer #2: Old outstanding items not being void and turned over to Indiana Unclaimed. Funds held in trust are not able to be identified. Not reconciling monthly or having variances. Internal Controls over Cash and Investments, Receipting, and Disbursements.

Question #3: We have money being held in trust that is unidentifiable funds. Can this money be sent to the county general fund? Examples of money in trust- (money order with no case #, couldn't read signature, no return address), unclaimed funds from the state auditor for the county clerk, but cannot identify where funds go).

Answer #3: Monies held in trust should not be unidentifiable, you should know who these funds belong to. Like we talked about yesterday, your due diligence should be documented to show what you are trying to do to identify these funds and who they belong to. If you have exhausted all options and still cannot identify the funds, then you should contact us via email and we can talk through what you can do from there.

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**QUESTIONS AND ANSWERS FROM COUNTY CLERKS ANNUAL CONFERENCE (Continued)**

- Question #4: If a bankruptcy is filed, does that allow the clerk to remove the judgment money from the case? Or is it the responsibility of the Plaintiff to file notice with the court?
- Answer #4: This is a legal question, so we won't be able to answer this. You might want to consult with your county attorney.
- Question #5: A bond taken by the clerk but the prosecutor does not file charges. The judge releases the bond in open court (no paperwork). What do we need to do for SBOA to track this? Paperwork wise? How do other Clerks handle this?
- Answer #5: How do you know the bond is to be released? Where does it show up so that it can be tracked? So, what type of paperwork would be provided. Maybe this is a good question for the room.
- Question #6: For Late payment fees established under the Clerk's Record Perpetuation Fund (IC 33-37-5-2), are they required to be deposited in this fund?
- Answer #6: What goes into the Clerks Perpetuation fund is what is specifically designated by law, anything else would be deposited into the general unless included in IC 33-37-5-2.