

CHAPTER 7 ACCOUNTING FOR RECEIPTS AND DISBURSEMENTS

SECTION A - GENERAL DISCUSSION

This chapter is devoted to the forms and records to be used in accounting for receipts and disbursements under the prescribed uniform accounting system. It consists of instructions in the use of the forms and records, together with exhibits illustrating the manner in which the basic records should be posted and kept.

In this chapter, as well as in other chapters, the instructions and illustrations are based upon the records prescribed for a manually kept system; however, they are equally applicable to counties having machine accounting systems in that posting requirements and the information provided are basically the same for both systems.

To fully understand the discussion that follows it is important that the definitions and legal requirements in Chapter I and the accounting principles underlying the system in Chapter V be carefully reviewed. This is particularly true with respect to the accounting terms defined therein which are used throughout the manual.

The primary or basic accounting record is the Ledger of Receipts, Appropriations and Disbursements, which is referred to in this manual as the "General Ledger." This ledger and the forms associated with it are discussed first followed by the subsidiary ledgers and other records required to be kept.

SECTION B - LEDGER OF RECEIPTS, APPROPRIATIONS AND DISBURSEMENTS

The Ledger of Receipts, Appropriations and Disbursements, or "General Ledger," as the title indicates, is the record in which an accounting is made for all receipts, appropriations, disbursements and fund balances. While subsidiary ledgers are prescribed to account for certain funds, this in no way lessens the requirement that controls over such funds also be carried in the General Ledger. This is more fully covered in the instructions that follow.

The forms prescribed to be kept as a part of the General Ledger consist of the following:

<u>Form No.</u>	<u>Title</u>
24B	Fund Ledger and Ledger of Receipts
24A	Ledger of Appropriations, Encumbrances, Disbursements and Balances
24C	Detailed Ledger of Disbursements
24ET	Allocation of License Excise Tax
24F	Record of Annual License Excise Tax
65-STF	Surplus Tax Fund Ledger

Fund Ledger and Ledger of Receipts (Form 24B) - This form serves a dual purpose. It serves as a cash control account reflecting the receipts, disbursements and balances in each fund and also as a detail receipt account or as a subaccount where the system provides for supporting accounts in any fund.

Ledger of Appropriations, Encumbrances, Disbursements and Balances (Form 24A) - This form is used to account for appropriations, encumbrances and disbursements in those funds where expenditures are limited by law to appropriations lawfully made and approved.

Detailed Ledger of Disbursements (Form 24C) - This form is used to account for disbursements by minor expense classifications under the major budget and appropriation accounts for which detail accounts are required to be kept.

Allocation of License Excise Tax (Form 24ET) - This form is used to record the allocation of license excise tax to the respective taxing districts and the totals available for distribution at the close of each month. The totals must at all times agree with the collections recorded on Form 24F discussed below. These ledger sheets should immediately follow ledger Form 24F, with a separate ledger sheet or sheets to be used for each month's collections. Counties with machine accounting systems may maintain these ledger sheets in a subsidiary ledger, if deemed desirable.

Record of Annual License Excise Tax (Form 24F) - This form is used to account for collections of license excise tax received from the State Bureau of Motor Vehicles branch offices and the State Aeronautics Commission and for the distribution of such collections at each semiannual settlement. It also serves as a control account over ledger Forms 24ET. This record serves only as a memorandum ledger account, to be reconciled with the county treasurer's records at the time of each settlement, and is not to be confused with the fund accounts carried in the General Ledger on Form 24B.

Surplus Tax Fund Ledger (Form 65-STF) - This form serves a dual purpose, in that it serves as a report from the county treasurer of surplus tax collected and settled for at each semiannual settlement and also as a county auditor's detail ledger account of the items received and disbursed. When surplus tax is reported and settled for by the treasurer the ledger sheet or sheets shall be inserted in the General Ledger immediately following the control account (Form 24B) for the Surplus Tax Fund.

Dividing General Ledger

Where, because of the large number of ledger accounts, it is deemed desirable to divide the General Ledger into two or more ledgers, it is permissible to do so; however, it should be so divided that all of the accounts pertaining to a particular fund be included in the same ledger. For example, it may be desirable to have one General Ledger for the County General Fund, because of the large number of appropriation and detail expense accounts, with a second General Ledger for all other funds and accounts; but, do not divide the ledgers in such a manner that parts of the County General Fund accounts will be in both ledgers.

The foregoing applies only to manually kept records. In those counties where machine accounting systems have been installed it may be necessary to segregate the accounts into separate groups to facilitate posting, such as (1) Fund (Cash) Accounts; (2) Detail Receipt Accounts; (3) Appropriation, Encumbrance and Disbursement Accounts; and (4) Detail Disbursement Accounts. Any systematic arrangement of the accounts which may be necessary to facilitate posting with the accounting machines in use will meet with approval of this board, providing it produces the same records as required in a manual system.

SECTION C - SUBSIDIARY LEDGERS

In addition to the General Ledger, the following subsidiary ledgers are required to be kept, supporting accounts in the General Ledger.

<u>Form No.</u>	<u>Title</u>
<u>Poor Fund Ledger:</u>	
PR-1	Township Poor Relief Ledger
PR-2	Township Poor Bond Redemption Ledger
PR-3	Ledger - Sale of Poor Bonds
PR-4	Register of Poor Relief Claims
<u>Drainage Funds Ledger:</u>	
63C	General Drain Improvement Fund
63CM	Drainage Maintenance Fund
<u>Investments Ledger:</u>	
350	Register of Investments

Township Poor Relief Ledger (Form PR-1) - This form is used to account for the receipts, disbursements, and balances in each township poor relief fund. A separate ledger sheet must be set up for each township and the totals of the detail accounts for all townships must agree with the "County Poor Fund" control account carried in the General Ledger.

Township Poor Bond Redemption Ledger (Form PR-2) - This form is to be kept in the same manner as the township poor relief ledger, except that it is to be used only to account for the redemption of bonds issued for poor relief purposes. A separate account is to be kept for each township and the total of all such accounts should agree with the "County Poor Bond Redemption Fund" control account in the General Ledger.

Ledger - Sale of Poor Bonds (Form PR-3) - This form is to be used to account for funds received from the sale of poor bonds. A separate account is to be set up for each township and the totals of the receipts, disbursements, and balances for all townships should agree with the "Sale of Poor Bonds Fund" control account in the General Ledger.

The law contemplates that when advancement fund bonds are issued by the county the funds be advanced only as needed by the townships. For that reason this form has been prescribed to account for the bond proceeds and for transfers to the Township Poor Relief Fund as funds are needed.

Register of Poor Relief Claims (Form PR-4) - This form is used to register claims submitted by township trustees for payment. While it is not strictly a ledger form, it is used to account for the detail appropriations supporting disbursements from the Township Poor Relief Fund. A separate register is required for each township and the total disbursements posted to the register should agree with the disbursements in payment of claims posted to the Township Poor Relief Fund (Form PR-1).

General Drain Improvement Fund Ledger (Form 63C) - This form is used to account for receipts, disbursements, and balances for each lawfully established drain, which is a part of the General Drain Improvement Fund. It is also used to account for assessments and collections on each drain. The totals of receipts, disbursements, and balances of all such drains must agree with the "General Drain Improvement Fund" control account carried in the General Ledger. Detail instructions for keeping this ledger will be found in the "Accounting Manual for Public Drainage Funds."

Drainage Maintenance Fund (Form 63CM) - This form is used to account for the receipts, disbursements, and balances for each drainage maintenance fund. It is also used to account for assessments and collections for maintenance. The totals of receipts, disbursements, and balances in all such accounts must agree with the "Drainage Maintenance Fund" control account in the General Ledger.

Register of Investments (Form 350) - This form is used to account for investments purchased and the receipts from such investments. The accounting system provides for "memorandum" accounts to be carried in the Auditor's General Ledger for investments purchased, matured or sold, using Form 24B, and this register should contain details supporting the investment accounts in the General Ledger.

SECTION D - OPENING LEDGER ACCOUNTS

A new ledger must be set up at the beginning of each calendar year. Do not remove and bring forward any ledger sheets from the prior year's ledger, except for the detail accounts supporting the balance in the Surplus Tax Fund (Form 65-STF). The latter exception is made only to enable a complete record of the surplus items of each settlement to be maintained as a part of the General Ledger until all items are disbursed and to eliminate the need to recopy the detail items each year.

Fund Ledger Accounts

A separate ledger sheet (Form 24B) must be set up for each fund appearing on the Financial Statement (Form 61). In addition, where the fund carried on the financial statement is a control account over detail "funds" a separate ledger sheet will also be required for each detail fund account. An example is cemetery trust funds where the financial statement should carry only the control account, with separate ledger accounts being maintained for the detail cemetery trust funds.

In opening the ledger the balance in each fund at the close of the prior calendar year shall be brought forward and entered in the "Balance" column of the corresponding sheet of the new ledger, showing the date of "January 1" and entering in the description column the words "Brought Forward." (See Exhibits 1 and 2, Page 6-12) The same procedure must be followed for any detail fund accounts over which a fund control account is maintained.

Detail Receipt Accounts

Detail receipt accounts shall be set up on Form 24B for each source of receipts in keeping with the chart of accounts discussed in Chapter V. Detail receipt accounts will be required for the County General Fund, the County Welfare Fund and any other fund having a number of sources of receipts. (See Exhibit 3, Page 6-13)

Appropriation Accounts

A separate ledger sheet (Form 24A) must be set up for each appropriation appearing in the Ordinance for Appropriations adopted by the county council, or as modified as a result of action taken thereon by the county board of tax adjustment and the State Board of Tax Commissioners. It is not permissible under the budget laws to combine two or more appropriations appearing in the ordinance into a single appropriation account.

In opening each ledger sheet enter the amount of the appropriation in the "Amount" column of the section headed "Appropriation" showing the date "January 1." If any appropriations for the prior year were lawfully encumbered by contract, bring forward the amounts thereof to the extent of the encumbrances and enter such amounts in the same manner, except that you should also enter in the description column the words "Brought Forward" and enter a detail of the purchase orders "issued" and the total "outstanding" in the encumbrances section of each ledger sheet affected. (See Exhibit 6, Page 6-14)

Appropriation Control Account

In all funds where expenditures are controlled by appropriations, an "Appropriation Control" account shall be set up for each such fund in the General Ledger. This control account will carry the total appropriations, including appropriations brought forward to cover encumbrances, for the particular fund.

The purpose of this account is not only to control the accuracy of postings and the extension of balances in the appropriation accounts but will also serve to show at all times the total unexpended appropriations for the calendar year. The account is also useful in preparing budgets and in preparing financial statements required to be submitted in support of additional appropriations requested for each fund. (See Exhibit 4, Page 6-13)

Detail Disbursement Accounts

A separate ledger sheet (Form 24C) must be set up for each appropriation where the prescribed budget estimate forms provide for detail expenditure accounts. Since this form will be used only to account for "disbursements" for each expenditure account, all that is necessary is to enter the headings on the form showing the expenditure account number and a brief description of its purpose. In setting up the ledger you should be guided by the detail accounts carried in the prior year's ledger, although additional detail accounts may need to be added during the year. (See Exhibits 7 and 8, Page 6-15)

Where expenditures from an appropriation fall entirely within a single detail expenditure classification it is not required that the appropriation account be supported by a ledger Form 24C. For example, if an appropriation for "200-Supplies" is used entirely for office supplies or an appropriation for "100-Personal Services" is used only for the officer's salary the appropriation account need not be supported by this form. However, where disbursements from an appropriation fall within two or more detail expenditure classifications the form must be used.

In those counties where a machine accounting system has been installed, either a subsidiary "Detailed Ledger of Disbursements" shall be maintained on County Form 24C or a separate ledger sheet shall be maintained for each expenditure account using the same form as used for appropriations, encumbrances, and disbursements; however, as previously stated, the detail expenditure accounts will record only the disbursements and not the appropriations and encumbrances.

Other General Ledger Accounts

The surplus tax fund ledger sheets, Form 65-STF, as previously mentioned, should be removed from the prior year's ledger and transferred to the new ledger, to provide a continuous record of detail surplus tax items. Where the volume of such items is such as to make it desirable to maintain a subsidiary ledger of all such ledger sheets this is permissible; however, in all instances a "Control" account of the Surplus Tax Fund shall be maintained in the General Ledger on Form 24B.

Arrangement of General Ledger Accounts

All ledger accounts should be systematically arranged in the ledger to facilitate locating and posting the accounts. The accounts should be arranged in the following manner for each fund:

- Fund Control Account
- Detail Receipt Accounts - arranged in accordance with the numerical coding system in the chart of accounts.
- Appropriation Control
- Appropriation Accounts - with each such appropriation account being followed by detail disbursements accounts where the appropriation requires detail accounts to be kept.

As previously stated, all ledger sheets should be arranged in the same manner as the funds appear on the financial statement and, in the case of the County General Fund, in the order the offices and departments are listed in the ordinance for appropriations.

The ledger sheets for license excise tax should appear at the close of the fund ledger accounts.

Subsidiary Ledgers

The procedure set out herein shall also be followed for the subsidiary ledgers discussed on pages 6-2 and 6-3, in that the balance in each such fund shall be brought forward from the prior year's ledger. The only exception is the investments ledger, Form 350, which is a continuing register and is not to be opened with a new set of accounts or register sheets at the beginning of the year; however, it will be required that a "Memorandum" account of investments be carried in the General Ledger for funds invested, with the principal balance of such investments to be brought forward on January 1. The manner of handling investments is further discussed in this chapter.

Divider Sheets and Index Tabs

The use of divider sheets and index tabs for each fund (or group of funds), for the revenue (receipts) section of the ledger, and for each office or department within the County General Fund, is strongly recommended. Not only will this facilitate locating and posting the ledger accounts but will materially assist others who have reason to refer to the ledger. Accounts should also be set up on Forms 24ET and 24F, described on pages 6-1 and 6-2 for bank, building and loan and license excise tax. In opening the account, any balance not settled for in the prior calendar year shall be brought forward and entered in the applicable ledger accounts. As previously mentioned, these accounts are not "fund" accounts, within the definition of that term, and do not appear on the monthly financial statement, but are used only to account for such receipts and the amounts settled for by the county treasurer at each semi-annual settlement. The divider sheets and tabs should be left in each ledger and not transferred and used in a succeeding year, at least until the records are audited. The use of inexpensive plastic (acetate) index tabs is recommended instead of gold leaf leather tabs because of the limited expense involved.

SECTION E - POSTING LEDGERS

Posting to ledger accounts should be made directly from the source documents, such as copies of purchase orders, copies of applications to pay (receipts) and duplicate copies of warrants; however, in the case of payrolls, where a payroll fund has been established for convenience in issuing payroll warrants, posting will be made from the detail payroll vouchers and the payroll summaries for each fund. There may also be other instances where it will be necessary to refer to the claims or other documents in posting warrants and such practice is acceptable, providing the posting entries are proved to the amount of each warrant issued.

Receipts

In all instances, receipts should be posted directly from the copies of the applications to pay (receipts). The receipts should clearly show thereon the source and the applicable funds and accounts, including the numerical codes for such funds and accounts, to be posted.

In the case of the County General Fund, the County Welfare Fund and any other fund for which detail revenue (receipt) accounts are maintained, posting will be made only to the detail accounts, with the total receipts posted to all such accounts to be entered on the fund control at the close of the calendar month. (See Exhibits 1 and 3, Pages 6-12 and 6-13) Where no detail revenue accounts are required to be kept, posting of the receipts will be made directly to the fund account. (See Exhibit 2, Page 6-12) Receipts may be grouped and posted in one amount if issued on the same date and are in numerical sequence; however, if a fund has two or more sources of receipts and detail revenue accounts are not maintained for the fund, the source of the receipt should be entered in the column headed "Description" following the receipt number, as shown in Exhibit 2.

Purchase Orders

Where a purchase order is issued against an appropriation, it will be posted as an encumbrance to the appropriation account (Form 24A). When the purchase order is later paid, it will then be liquidated in the same amount for which the order was issued, notwithstanding that the actual disbursement may be more or less than the amount for which the order was issued. This is illustrated in Exhibit 6, Page 6-14.

The encumbrance section of the appropriation account is merely to record the purchase orders issued and liquidated, showing the outstanding encumbrances at the close of any period. To determine the unencumbered appropriation balance at any time, it is necessary to deduct the total of "outstanding" encumbrances from the "balance" of the appropriation shown on the ledger account.

Disbursements

As stated, disbursements should be posted from the duplicate warrants and, where necessary, from the claims supporting such warrants. In those funds subject to appropriations the disbursement shall be posted directly to the appropriations and non-budgeted accounts of the applicable fund. At the close of the month the amounts posted to all such amounts will then be added, footed and posted to the fund control. (See Exhibit 1, Page 6-12) The totals posted to the budget classifications, 100 to 400 accounts, will also be posted to the appropriation control account for that fund. (See Exhibit 4, Page 6-13)

In posting disbursements to appropriation accounts, warrants may be grouped and entered in a single amount, provided they were issued on the same date and are in a continuous numerical sequence. (See Exhibits 5 and 6, Page 6-14) However, where purchase orders are issued against an appropriation and the encumbrance section of the ledger sheet is used, the warrants will have to be posted in detail to identify the specific purchase order liquidated by the payment, as illustrated in Exhibit 6.

Detail Disbursements Accounts

In addition to posting the appropriation account, disbursements shall also be posted to the detail disbursement accounts (or minor expenditure accounts) under each appropriation for which such detail is required. Posting may be in detail by each warrant, or warrants may be group posted if issued on the same date and are in numerical sequence. (See Exhibits 7 and 8, Page 6-15)

Subsidiary Ledgers

The posting instructions in this chapter equally apply to all subsidiary ledgers supporting the General Ledger (Ledger of Receipts, Appropriations and Disbursements) such as the Township Poor Relief Ledgers and the Drainage Ledgers; however, the following instructions should be observed with respect to the latter ledgers:

- a. Township Poor Relief Ledgers - Posting of receipts and disbursements should be made directly to each individual township account (Ledger Forms PR-1, PR-2 or PR-3), with only a "Control" account to be carried in the General Ledger on Form 24B over each applicable fund. Posting to the fund control may be made in total for each month, from the totals posted to the detail township accounts, as shown in Exhibit 1 for the County General Fund, or may be posted from the receipts and duplicate warrants. Appropriations for township poor relief are accounted for in the "Register of Poor Relief Claims," Form PR-4, and are not accounted for by the use of appropriation ledger Form 24A. See Exhibit 9, Page 6-16, for instructions in posting poor relief accounts.
- b. Drainage Ledgers - The General Ledger should contain a "Control" account on ledger Form 24B for the General Drain Improvement Fund and for the Drainage Maintenance Fund. The detail drainage accounts for each drain will be maintained on drainage ledger Forms 63C and 63CM, and the totals of all such detail accounts must agree with the respective fund control account in the General Ledger. The manner in which drainage funds should be handled and accounted for are fully covered in the "Accounting Manual for Public Drainage Funds" and, therefore, are not covered in this manual.

Posting Appropriations

The opening of appropriation ledger accounts is discussed on Pages 6-4 and the posting to such accounts is illustrated in Exhibits 4, 5, and 6, Pages 6-13 and 6-14.

The posting of appropriations from the "Ordinance of Appropriations" adopted in conjunction with the annual budget and the posting of emergency (additional) appropriations should offer no problem if the discussion on Pages 6-4 and 6-5 and the exhibits are carefully observed. Experience has shown, however, that there is a lack of uniformity in posting transfers from the appropriation account to another appropriation account.

Pursuant to IC 6-1.1-18-6 transfers of appropriations may be made from one major budget classification to another within a department or office; also, pursuant to this law, additional appropriations may be made which are wholly or partially covered by reductions in existing appropriations.

In all instances where transfers or additional appropriations are made and existing appropriations reduced, entries should be made of the additional or increased appropriations and the reductions in the "Amount" column of the appropriation section of the ledger sheet. Simply enter the additional or increased appropriation in that column, with the reductions to be entered either in red ink or by a minus (-) entry. This is illustrated in Exhibit 4, Page 6-13. Do not make any appropriation entries in the disbursements column or handle transfers and/or reductions in appropriations in any other manner.

Posting Refunds of Expenditures

Pursuant to IC 6-1.1-18-9, when a refund of an erroneous or excess disbursement is made within the current budget year, such refund may be credited to the appropriation from which the disbursement was made; however, where the refund is for an expenditure made in a prior year, there is no authority to credit the appropriation.

Pursuant to IC 6-1.1-18-7, when any funds are received from an insurance company because of any damage to the property of the county and when the appropriating body (county council) approves the expenditure of such proceeds to repair or replace said property, such proceeds are considered to be appropriated for such purpose provided the funds are expended within twelve months following their receipt.

When refunds are made of excess or erroneous disbursements within the same current budget year, or funds are received from an insurance company, and the use of such funds is authorized to be used to repair or replace the damaged property, pursuant to the law cited, the receipt should be posted in the same manner as any other receipt, by entering it in the detail receipt accounts and to the fund control; and, in addition thereto, the receipt should be posted to the applicable appropriation account and appropriation control account. This is illustrated in Exhibit 4, Page 6-13.

Correcting Entries

Errors made in posting records will fall in two categories: (1) those made in the current fiscal (calendar) year and (2) those made in a prior fiscal year. Errors made also affect appropriation accounts, receipt accounts or fund accounts and require different handling in each instance.

Where an error is made and the increase affects only appropriation, detail disbursement or detail receipt accounts, without affecting the fund (cash) account, correction should be made under the current date of correction by posting the item in the correct account and by reversing the entry in the account to which it was erroneously posted by entering the amount in red ink or as a minus (-) amount. In addition, proper notation should be made to show that the entry is to "correct posting error," making a cross reference to each applicable account and, if necessary, the source document from which the entry was originally posted should be noted to show the error and the date it was corrected. Do not attempt to correct such errors by changing the original entries and all footings and balances to date; a better record is shown if the correction is enter under the current date it is made.

Where an error is made in posting the fund (cash) accounts, the correcting entry will affect the records of the county treasurer and require a different handling than for appropriation and detail receipt accounts. If the error is made and corrected in the same current budget year, it may be corrected in the same manner as outlined for appropriation and receipt accounts, providing the correcting entry to be made is given the county treasurer and can be handled on the treasurer's records without the issuance of a warrant and receipt. In such instances, the correcting entry may be made by posting the amount under current date to the proper account and by reversing the erroneous posting by entry in red ink or as a minus (-) amount, in the same manner as outlined for corrections in appropriation and receipt accounts. If, however, the correction cannot be handled in this manner by the treasurer, because of the entries affecting more than one bank account or other reason, the correction should be made by the issuance of a warrant and receipt in the same manner as discussed under "Transfers Between Funds" in Section G of this chapter.

Where an error is made in a prior year and it affects the fund accounts, it can only be corrected by the issuance of a warrant and receipt. Errors found in posting appropriation and receipt accounts of a prior year should not be corrected after the records for that year are closed and the financial statements and reports have been made. In such instances, simply enter a note on each of the applicable ledger sheets of the existence of the error and, if it affected the fund accounts, show the date the fund accounts were corrected.

SECTION F - FOOTING AND PROVING LEDGERS

All ledgers must be footed and proved at the close of each month. The footings should be entered in pencil on all ledger sheets, showing the totals for the month and the totals for the year to date, except that only year to date totals need be entered on the detail disbursement accounts, Form 24C. (See Exhibits 1 to 9, Pages 6-12 to 6-16) In proving the ledger at the close of each month, the following steps should be taken:

1. Add the detail receipt accounts in those funds where such details are kept and enter the total receipts in the fund control.
2. Add the receipts entered in the controls of all funds and see that the total agrees with the total applications to pay (receipts) issued during the month. In making such proof, add the applications to pay and enter the total thereof after the last application issued for the month.
3. Add the disbursements posted to all appropriation accounts and to the non-budgeted accounts for each fund and see that it agrees with the total posted to the fund control.
4. Add the disbursements posted to the fund controls of all funds and see that the total agrees with the total of the warrants issued. In making such proof, the duplicate warrants should be added and the total thereof entered in the register of warrants after the last warrant issued for the month.
5. In those funds subject to appropriation verify that the total disbursements from the appropriation accounts (account numbers 100 through 400) agree with the amount posted to the appropriation control account. Additional appropriations or reductions in appropriations should also be added and proved to entries in the appropriation control account. After this proof is made, also verify that the balances in all appropriations agree with the unexpended balance shown on the appropriation control account.

6. Verify that the totals of the detail disbursement accounts agree with the total disbursements posted to each appropriation account.
7. Prepare the monthly financial statement from the Funds Ledger (Form 24B), proving the totals of receipts and disbursements for the month to the register of receipts (application to pay) and the registers of warrants. Verify the financial statement with the statement prepared by the county treasurer.

SECTION G - STATE GRANTS

If a political subdivision receives state grant money requiring local matching money, the political subdivision shall create a special fund and deposit the grant money and matching money into the special fund. The money in the fund may be used only for the purposes of the grant.

If a political subdivision completes the project for which the grant money was provided and money remains in the fund:

1. The political subdivision shall transfer the state's share of the remaining money to the Treasurer of State for deposit in the fund from which the grant was made; and
2. The political subdivision's pro rata share of the remaining money reverts to the political subdivision's general fund. [IC 36-1-18-12]

FUND LEDGER AND LEDGER OF RECEIPTS

Fund General Source of Receipt _____ Control Account _____
 Office or Department _____ Account Number 100

	1990		Receipt No. or Warrant No.	Description	Receipts	Disbursements	Balance
	Mo.	Day					
	Jan.	1		Brought Forward			18451211
		31		Receipts for Month	1840110		
		31		Disbursements for Month		3016018	
				(1)	1840110	3016018	17275303
	Feb.	28		Receipts for Month	814169		
		28		Disbursements for Month		6492701	
				(1)	2654279	7508719	11597271

This exhibit illustrates posting to the County General Fund control account which is supported by detail receipt and disbursement accounts. Total receipts must agree with totals of all detail receipt accounts (See Exhibit 3). Total disbursements must agree with totals posted to appropriation (100 to 400) accounts plus totals posted to non-budgeted (500) accounts. Entries indicated (1) are for year to date; monthly footings are not required when only entry is made to an account column.

EXHIBIT 1

FUND LEDGER AND LEDGER OF RECEIPTS

Fund Fines and Forfeitures Source of Receipt Court Fines and Forfeitures
 Office or Department _____ Account Number 305

	1975		Receipt No. or Warrant No.	Description	Receipts	Disbursements	Balance
	Mo.	Day					
	Jan.	1		Brought Forward			13060
		3	1162	Greenwood City Court	8000		
		6	1171	Franklin City Court	24800		
				(1)	32800		163300
	Feb.	3	1215	New Whiteland Town Court	3200		
		10	1237	Greenwood City Court	36800		
		14	1261	Franklin City Court	16800		
				(1)	56800		220100

This exhibit illustrates a fund account not supported by detail receipt and disbursement accounts. Note that source of receipts is shown in "Description" column. Entries indicated (1) are footings for month and year to date.

EXHIBIT 2

FUND LEDGER AND LEDGER OF RECEIPTS

Fund General Source of Receipt _____ Control Account _____
 Office or Department _____ Account Number _____ 100

1990		Receipt No. or Warrant No.	Description	Receipts		Disbursements		Balance	
Mo.	Day								
Jan.	3		New Whiteland Town Court		4000				
	6		Greenwood City Court		12400				
			(1)		16400				
Feb.	3		Franklin City Court		1600				
	10		Greenwood City Court		18400				
	14		New Whiteland Town Court		8400				
			(1)		23400				
					24800				

This exhibit illustrates posting to a detail revenue (receipt) account. Receipts from public officials, where derived from more than one source, should be indicated in the description column. The footings (1) are for the month and year to date. The totals of all such accounts must agree with the total receipts entered on the fund control, Exhibit 1.

EXHIBIT 3

LEDGER OF APPROPRIATIONS, ENCUMBRANCES, DISBURSEMENTS AND BALANCES

Fund Fines and Forfeitures Source of Receipt _____ Appropriation Control _____
 Office or Department _____ Account Number _____

1990		Description	Purchase Order Number	X	Encumbrance by Purchase Orders			Warrant Number	Appropriations		
Mo.	Day				Issued	Liquidated	Outstanding		Amount	Disbursements	Balance
Jan.	1	Encumbrances Brought Forward							2000		2000
	1							50000			52000
	31	Disbursements							2000		45000
Feb.	3	Additional						10000			55000
	7	Encumbrances Adj.	881					(10000)			54000
	15	Receipt No. 1260						500			54500
	28	Disbursements							6500		48000

This exhibit illustrates an appropriation control account. Note the following:

- (1) Appropriation entered in "amount" column is from total of ordinance for appropriations, or as that figure might have been modified after budget hearings.
- (2) The total of all outstanding encumbrances entered on appropriation ledger accounts is to be brought forward and entered as shown. Encumbrances need not be entered in the encumbrance columns of the control account; the only entry necessary is to record the amount brought forward from the prior year's ledger.
- (3) If an encumbrance brought forward is canceled or if the amount of the warrant issued differs from the amount of the encumbrance, the appropriation account and the appropriation control should be adjusted accordingly. This is illustrated by the entry on February 7.
- (4) Where a warrant issued in the current budget year is canceled and receipted back into the fund on which drawn, or the amount thereof is refunded in whole or in part, the amount may be credited to the appropriation account and would also be credited to the appropriation control account. This is illustrated by the entry on February 15.
- (5) In this illustration, the disbursements agree with fund control; however, in actual practice, the disbursements will differ by the amounts posted to non-budgeted (500) accounts, since only the disbursements posted to appropriation accounts will be entered on the appropriation control.
- (6) The total balances in all appropriation accounts must agree with the balance in the control account.

EXHIBIT 4

LEDGER OF APPROPRIATIONS, ENCUMBRANCES, DISBURSEMENTS AND BALANCES

Fund General

Source of Receipt Personal Services

Office or Department Clerk of the Circuit Court

Account Number 101-200

19		Description	Purchase Order Number	X	Encumbrance by Purchase Orders			Warrant Number	Appropriations		
Mo.	Day				Issued	Liquidated	Outstanding		Amount	Disbursements	Balance
Jan.	1										2660000
	20	(1)						114500			
								114500		254550	
Feb.	3							102000			
	18	(1)						110500			
								218500			
Mar.	3						1408	233000		232700	
	17	(1)						105500			
								116500			
								222000			
								555000		21050	

This exhibit illustrates posting to an appropriation account for personal services. Entries indicated (1) are footings for month and year to date. Total disbursements must agree with total posted to Detailed Ledger of Disbursements (See Exhibit 7).

EXHIBIT 5

LEDGER OF APPROPRIATIONS, ENCUMBRANCES, DISBURSEMENTS AND BALANCES

Fund General

Source of Receipt Supplies

Office or Department Clerk of the Circuit Court

Account Number 101-200

1990		Description	Purchase Order Number	X	Encumbrance by Purchase Orders			Warrant Number	Appropriations		
Mo.	Day				Issued	Liquidated	Outstanding		Amount	Disbursements	Balance
Jan.	1										
	1	Brought Forward									
			821	X	12000						
			830	X	4800	16800		16800			
		(1)			16800			226800		226800	
Feb.	3						1261		4000		
	3						1265		2600		
	3		821		12000		1268		12000		
	3		830		4800		1269		4800		
	3						1270		1900		
	14	(1)	884	X	2100						
					2100	16800					
					18900	16800	2100		25300		
								25300		201500	
Mar.	3		884			2100	1417-19		4350		
	3						1420		2100		
	3						1421		1400		
	3						1423		1000		
	10						1472-3		1500		
									10350		
		(1)			18900	18900			35650	191150	

This exhibit illustrates posting to an appropriation account. Note the following:
 (1) Entry of appropriation and encumbrances; if there are no encumbrances brought forward on January 1.
 (2) Posting of warrants and liquidation of encumbrances; if there are no encumbrances to be liquidated, warrants may be group posted in numerical sequence. When encumbrance is liquidated in full a check mark (X) should be entered opposite purchase order issued.
 (3) Entries indicated (1) are footings for month and year to date.
 (4) Total disbursements must agree with total posted to Detailed Ledger of Disbursements. (See Exhibit 8)

EXHIBIT 6

DETAILED LEDGER OF DISBURSEMENTS

Fund General Appropriation For Personal Services
 Office or Department Clerk of the Circuit Court Account Number 101-100

Date 1991	Warrant Number	No. 111	No. 113	No. 114	No. _____	No. _____	No. _____	No. _____	No. _____	No. _____
		Clerk	Deputies	Clerical Assistant						
Jan. 20	1121 *	4 0 0 0 0 0	6 2 5 0 0 0	1 2 0 0 0 0						
	(1)	4 0 0 0 0 0	6 2 5 0 0 0	1 2 0 0 0 0						
Feb. 3	1153 *	4 0 0 0 0 0	6 2 5 0 0 0	5 5 0 0 0 0						
18	1296 *	4 0 0 0 0 0	6 2 5 0 0 0	8 0 0 0 0 0						
	(1)	1 2 0 0 0 0 0	1 2 7 5 0 0 0	2 5 5 0 0 0						
Mar. 3	1408 *	4 0 0 0 0 0	6 2 5 0 0 0	3 0 0 0 0 0						
17	1510 *	4 0 0 0 0 0	6 2 5 0 0 0	1 4 0 0 0 0						
	(1)	2 0 0 0 0 0 0	3 1 2 5 0 0 0	4 2 5 0 0 0						

This exhibit illustrates posting to Detailed Ledger of Disbursements for Personal Services. Total must agree with disbursements posted to appropriation account (See Exhibit 5). Warrant numbers (*) represent amounts transferred by warrant to a "Payroll Fund." If no Payroll Fund is established, actual payroll warrant numbers would be entered. Entries indicated (1) are footings for year to date.

EXHIBIT 7

DETAILED LEDGER OF DISBURSEMENTS

Fund General Appropriation For Other Services and Charges
 Office or Department Clerk of the Circuit Court Account Number 101-300

Date 1991	Warrant Number	No. 311	No. 312	No. 313	No. 314	No. 352	No. 353	No. 360	No. _____	No. _____
		Freight and Express	Postage	Travel	Telephone	Repair of Equipment	Rebinding Records	Equipment Rental		
Feb. 3	1261		4 0 0 0							
3	1265			2 6 0 0						
3	1268-70					1 2 0 0 0 0	4 8 0 0	1 9 0 0		
	(1)		4 0 0 0	2 6 0 0		1 2 0 0 0 0	4 8 0 0	1 9 0 0		
Mar. 3	1417-21	5 0 0	2 0 0 0		1 8 5 0	2 1 0 0		1 4 0 0		
	1423			1 0 0 0						
10	1472-3					1 2 0 0		3 0 0		
	(1)	5 0 0	6 0 0 0	3 6 0 0	1 8 5 0	1 5 3 0 0 0	4 8 0 0	3 6 0 0		

This exhibit illustrates posting to detailed disbursement accounts group posting of warrants when written in numerical sequence. Totals must agree with the appropriations account (See Exhibit 6). Entries indicated (1) are footings for year to date.

EXHIBIT 8

SECTION H - ACCOUNTING FOR RECEIPTS

All money payable to the county treasury must be received and deposited by the county treasurer. The only money the auditor is authorized to accept is fees for services, discussed in this section under "Auditor's Fees," which are deposited monthly with the treasurer.

All money, except for taxes and special assessments paid direct to the treasurer, shall be receipted into the records by the use of the four-part Form 20-21, "Combination Quietus, Application to Pay, Treasurer's Receipt and Auditor's Copy." This form, which serves as the media for posting to the fund ledger accounts, is sometimes referred to in this manual as an "application to pay and quietus," as a "quietus" and as a "receipt."

The form is designed to meet the requirements of IC 36-2-9-12 and IC 36-2-10-10 and to insure proper accountability for all such receipts. The following steps should be followed:

1. The county auditor prepares the four-part form, to show the date, fund or funds to be credited, amount, the person applying to pay the money into the county treasury, and in the space "on account of" shall show the source of the payment and the specific account number or numbers to be credited.
2. The auditor hands to such person the "Application to Pay" and "Receipt" copies and the person makes payment direct to the treasurer, receiving from the treasurer the signed receipt copy. The treasurer retains the application to pay for the records of that office.
3. The person returns the receipt copy to the auditor who thereupon issues the "Quietus" to such person to complete the transaction. The receipt copy is retained for the auditor's records.

There will be instances, such as state distributions and payments received by mail, where the auditor will have to deliver the payment to the treasurer. However, this procedure should be avoided where possible to not only comply with the law but to effect proper internal control over all such receipts.

The form of Quietus, Application to Pay, Treasurer's Receipt and Auditor's Copy is required to be prenumbered by the printer. Under no circumstances shall unnumbered receipts be purchased or used, nor shall any other form of receipt be used by the auditor.

Reports of Officials

When any public official pays fees or other collections into the county treasury, the remittance must be accompanied with a prescribed report form. The forms required to be used by the city and town courts are listed on page 4-5. All other county offices and departments should report collections on General Form 362. It is important such reports be filed, not only to meet statutory requirements but so the sources of receipts are identified for proper posting to the fund and detail receipt accounts.

Many other payments are also supported by reports or will be accompanied with some other type of remittance advice. All reports or other supporting documents which accompany payments must be carefully preserved and filed in a systematic manner as a part of the records of the office.

When a payment is not supported by a report or other document, be sure to enter in the space "on account of" a complete description of the source of the receipt. For example, if it is a refund, refer to the specific claim or warrant on which the refund is based or show the reason for the refund.

Transfers Between Funds

When funds are transferred from one fund to another fund, such as loans, advances, reimbursements and payroll deductions, a warrant should be issued in favor of the "Treasurer of _____ County" and an application to pay, receipt and quietus should be immediately issued in favor of the treasurer for the receipt of such funds. Both the warrant and the receipt must clearly show the funds and accounts to be charged and credited and the reason for the transfer.

The use of "Journal Vouchers" to effect fund transfers is not authorized. Experience has shown that a clearer and more accurate record is provided where transfers are made by warrant and receipt and this procedure materially assists in reconciling receipts and disbursements in the treasurer's office with the records of depositories; also, there are instances where a transfer will affect depository accounts which precludes the use of a journal voucher.

Auditor's Fees

All fees received by the county auditor for services of that office are the property of the county and shall be paid into the county treasury at the close of each month. [IC 36-2-7-2]

The laws provide for fees to be charged by the auditor for the following services:

1. For each application for exemption filed on Form No. 136 prescribed by State Board of Tax Commissioners, two dollars (\$2.00). [IC 6-1.1-11-10]
2. The fiscal body shall establish a fee schedule for the certification, copying, or facsimile machine transmission of documents. The fee may not exceed the actual cost of certifying, copying, or facsimile transmission of the document by the agency and the fee must be uniform throughout the public agency and uniform to all purchasers. [IC 5-14-3-8]
3. If authorized by an ordinance enacted by the Board of County Commissioners, not to exceed \$5.00 for each endorsement made on a deed to be recorded to be receipted to the Plat Book Fund. [IC 36-2-11-14 and IC 36-2-9-18]

Auditor's Fee Book

All fees collected shall be entered in the Auditor's Fee Book, Form No. 1, the fees totaled at the close of the month and paid into the county treasury by application to pay and quietus. Fees collected may be paid in more often, if desired, such as during the period of collecting fees for applications for mortgage deductions.

SECTION I - ACCOUNTING FOR DISBURSEMENTS

All disbursements must be made on warrants issued by the county auditor and countersigned by the county treasurer.

Warrant Forms

The following warrant forms have been prescribed for use of counties:

Form 16	Warrant and Warrant Register
Form 16PR	Payroll Warrant and Register
Form 16W	Welfare Warrant and Register

Form 16 is to be used for all disbursements, except for payrolls and disbursements from county welfare funds; Form 16PR is to be used for payrolls; and Form 16W for all welfare disbursements, except for payrolls of the welfare department which shall be paid on Form 16PR. These forms shall be used in all counties, unless alternate forms have been approved for use of the county.

Forms 16 and 16W are three-part forms consisting of the original for the payee, duplicate for the county treasurer and auditor's copy. Form 16PR is a four-part form, consisting of the original for the payee, a non-negotiable duplicate for the payee as an earnings statement, triplicate for the county treasurer and auditor's copy. The auditor's copies are to be placed in a post binder and such bound copies are generally referred to as the "Register of Warrants."

Where two or more banks have been designated as depositories for county funds, a separate series of warrants may need to be printed for each depository to meet Federal Reserve Board requirements for encoding bank routing numbers and this is permissible, providing the format of the prescribed or approved form is not changed. In such instances, a prefix number or letter should be used with the warrant numbers of each series to distinguish the warrants from other series."

Each series of warrants shall be prenumbered by the printer and issued in numerical sequence. It is not necessary to begin a new series of numbers each calendar year; in fact, less confusion will exist if a continuous numerical series is used for three or more years before beginning a new series with number one (1). The numerical series may be changed at any time during a year, if desired. Under no circumstances should unnumbered warrants be purchased and care should be taken to safeguard the supply of warrants to avoid their falling into unauthorized hands.

Authority for Issuance

The auditor is responsible for the issuance of each warrant and must determine that it is supported by a proper claim, duly filed and allowed in the manner provided by law, or that other statutory authority exists for its issuance. The statutory requirements to be met in the issuance of warrants are more fully covered in other chapters, and particularly in Chapter VII, Claims and Allowances.

Funds and Appropriations

Each warrant must show the fund on which it is drawn and, if applicable, the appropriation account or accounts to be charged. It is unlawful to overdraw any fund or to issue a warrant in excess of the appropriation available, where an appropriation is required. Penalties are provided in IC 36-2-6-12 where an auditor is convicted of violating these requirements.

For further information regarding appropriations, including instances where warrants may be issued without appropriation, see Chapter VIII entitled "Budgets and Appropriations."

Transfers Between Funds

When funds are transferred from one fund to another fund, it should be made by issuance of a warrant and a receipt. See page 6-18 for instructions in handling transfers between funds.

Transfers Between Bank Accounts

Occasionally it may be necessary for the county treasurer to transfer funds from one depository to another. If such a situation occurs and a request is made by the treasurer, a county warrant should be used to effect the transfer. The warrant should be made payable to "(Name of Depository) for deposit only to the account of the Treasurer of _____ County," and should clearly show on its face that it is for "Transfer of Funds Between Depositories." The warrant is not to be posted to the ledger accounts as a receipt or a disbursement, since its only purpose is to transfer funds between banks. The warrant will, however, affect the records of the county treasurer and shall be entered as a withdrawal and as a deposit in the Daily Balance of Cash and Depositories record in that office, to the accounts of the applicable depositories.

Cancellation of Warrants

When a warrant is not to be used for the purpose intended or for any other reason is to be canceled or voided, it must be receipted back to the fund on which it was drawn by the use of an Application to Pay, Receipt and Quietus and accounted for on the records of the auditor and treasurer in the same manner as any other receipt. The receipt, in addition to showing the fund and account to be credited, must also show the warrant number or numbers.

In the case of a payroll warrant, from which deductions have been made, it will also be necessary that a warrant be drawn against each applicable payroll deduction fund. The warrant should be issued in favor of the county treasurer, describing thereon "Cancellation of Payroll Warrant No. _____" and must show the amount disbursed from each payroll deduction fund. The "net" payroll warrant and the warrant issued for the deductions must then be receipted into the records by application to pay and quietus, in the same manner as any other receipt, and credited to the fund from which the payroll was paid. In addition, appropriate entries must be made in the detail and control accounts of the "Employee's Earnings Record." The entries should be made in this record as of the date the warrant or warrants are receipted into the records and should be entered in red ink or as a minus (-) amounts.

If the payroll warrant was issued in a prior year, after withholding statements have been prepared and/or deductions remitted, the same procedure should be observed; however, in such case it will also require corrected withholding statements being issued and proper documents being submitted to the appropriate federal and state agencies to obtain credit for the excess deductions remitted.

Warrants Outstanding and Unpaid

Pursuant to IC 5-11-10.5 all warrants outstanding and unpaid for a period of two or more years, as of the last day of December of each year, are void. This law further provides that the county treasurer within 60 days thereafter shall prepare a list in triplicate of all such warrants, showing the date of issue of each warrant, the fund upon which it was drawn, the name of the payee, the amount of the warrant, and the total amount of the warrants for each fund. The original copy of such list shall be filed with the county board of finance, the duplicate filed with the auditor and the triplicate copy retained by the treasurer. Upon receipt of such list, the auditor shall issue an Application to Pay, Receipt and Quietus for such warrants, in the same manner as for any other receipt, and the warrants shall thereupon be removed by the treasurer from the outstanding list.

Warrants to be canceled pursuant to IC 5-11-10.5 will fall in two categories: (1) those that have not been claimed and are in physical custody of the auditor, and (2) those that have been lost or misplaced or for some other reason have never been submitted for payment by the depository. Regardless of the category in which the warrants fall, they shall be handled in the same manner on the treasurer's records by simply crediting the depository account of each of the depositories on which the warrants are outstanding, on the Treasurer's Daily Balance of Cash and Depositories record, and by removing the warrants from the outstanding list. Those warrants in physical custody of the auditor should then have entered on their face the words "Canceled and Received to Fund on Which Originally Drawn" showing the date and receipt number, and be firmly attached to the copy of each warrant in the auditor's Register of Warrants.

If any warrant shall be presented for payment which has been canceled pursuant to IC 5-11-10.5, the holder of the warrant shall deliver it to the auditor and shall file a claim stating that he/she is the owner of the warrant, that the money is justly due him/her and relating the circumstances that prevented the warrant from being presented for payment within a reasonable time. If the auditor shall find the claim in order, he/she shall issue a warrant against the fund to which the original warrant was received, without appropriation being made therefor.

Warrants Voided

The foregoing applies only to warrants issued and posted to the records and thereafter canceled. It does not apply to a warrant erroneously written which is voided before being issued and posted. In the latter case the word "VOID" should be written across the face of the warrant and each copy, the treasurer's copy given to that office, and the original warrant firmly attached to the copy of the Register of Warrants. It is also recommended that the signature of the auditor be torn-off to prevent the possible misuse of a voided warrant.

Issuance of Duplicate Warrant

When a county warrant is lost or for some other reason has not been presented for payment by the depository on which drawn, and evidence of this fact is submitted, the county auditor is authorized to issue a duplicate warrant to replace the original warrant; however, certain safeguards should be exercised before the duplicate warrant is issued, as recommended in the following outline:

1. The person, firm or corporation requesting the duplicate warrant should submit to the county auditor an affidavit setting out all pertinent information with reference to such warrant. A separate affidavit should be furnished by the payee and by each party to whom it was endorsed. A suggested form of affidavit will be found on page 6-23.
2. Immediately upon receipt of the affidavit, the auditor should request the county treasurer to issue a stop payment order on the original warrant to the bank on which it was drawn.
3. Delay issuing the duplicate warrant until the warrants for the month in which the stop payment order was issued are returned by the bank and the county treasurer has verified that the original warrant has not been cashed.

4. Issue the duplicate warrant on the next warrant number of the current series, under current date (not the date it was originally issued), bearing the payee's name, amount and other details shown on the original warrant, but clearly indicate thereon that it is "issued to replace warrant number ____, dated _____, 20__." In this manner no problems should arise when the warrant is presented to the bank for payment, which sometimes happens when it is given the date and number of the original warrant on which payment was stopped. It is not permissible to have unnumbered warrants furnished by the printer for this purpose; always use the next warrant number in the current series but show thereon the warrant number it replaces.
5. The duplicate warrant is not to be posted to the auditor's ledgers since it is issued only for the purpose of replacing the original warrant. To identify it as a duplicate so it will not be posted and added with the disbursements for the month, simply circle the copy in the warrant register or otherwise identify it as a "Duplicate."

A duplicate warrant might, under emergency conditions, be issued within a short time after the stop payment order is given the bank where the bank furnishes a statement that they have checked the paid warrants to date and the warrant in question has not been paid; however, a safe position is to wait until the canceled warrants for the month in which the stop payment order was issued are returned by the bank and the county treasurer has verified the warrant has not been paid.

PROCEDURES

Replacement of Lost, Stolen, or Forged Assistance (AFDC, IV E Foster Care and Adoption Assistance) Warrants

Whenever a recipient notifies the county department of the loss or theft of his/her assistance warrant, the county bookkeeper should:

1. Issue a stop-payment order within seventy-two (72) hours of the notification of loss or theft from the recipient.
2. Inform the recipient that he must immediately complete and sign DPW Form 204, Affidavit for Issuance of Duplicate Warrant before a replacement warrant will be issued, and that failure to immediately execute said affidavit will delay the replacement of the warrant.
3. Request a replacement warrant from the county auditor within twenty-four (24) hours after DPW Form 204 is executed and notarized by the recipient.
4. Inform the recipient of the right to appeal to the State Department of Family and Social Services if a replacement warrant is not issued within seventeen (17) working days after the date the recipient signed the DPW Form 204. (470 IAC 2-4-12)

During the seventy-two (72) hour period allowed county departments for issuance of the stop-payment order, it should be determined that a warrant was actually mailed to the recipient and that adequate time for delivery of the warrant has passed. Under no circumstances should the county department refuse to allow the recipient to execute the affidavit when he/she requests to do so.

If the warrant has been cashed and the recipient believes that the signature is not his/her own (forged), a hand written letter stating this fact must be delivered to the county department.

If fraud is suspected, the county department should conduct an investigation. However, the issuance of a replacement warrant is NOT to be delayed because of the fraud investigation.

FOR USE OF COUNTY AUDITOR
* Duplicate Issued on *
* Warrant Number _____ *
*Date _____, 20__ *

AFFIDAVIT FOR ISSUANCE OF DUPLICATE WARRANT

STATE OF INDIANA)
)SS:
COUNTY OF _____)

I, _____, presently residing at _____
_____ County, Indiana, being first duly sworn upon my oath, say:

1. That I have been informed a county warrant was issued from the _____ Fund,
in the sum of \$ _____, said warrant bearing number _____, dated _____, 20__,
payable to _____ for _____.

2. That I am the person to whom said warrant was payable, or am the owner, partner or an
officer in the firm or corporation to which payable or to which the warrant was subsequently endorsed.

(Strike out 3a or 3b, whichever is not applicable)

3a. That payment has not been received on said warrant or on any other warrant for the sum due
as described above, for the reason that said warrant was (describe whether lost, destroyed or stolen; the
date of the occurrence, if known; and all other pertinent facts).

3b. That payment was received on said warrant from _____
to whom it was subsequently endorsed.

4. That I fully understand payment will be stopped on the original warrant and, if a duplicate
warrant is issued and payment is obtained thereon, that I will not be entitled to receive payment on the
original warrant; and, further, should said original warrant ever come into my possession I will immediately
forward it to the county auditor.

(Signature of Affiant)

Subscribed and sworn to before the undersigned, a Notary Public, in and for said county and
state, this ____ day of _____, 20__.

Notary Public

My Commission Expires: _____

Note: If the payee did not receive payment, strike out paragraph 3b. If the payee and any subsequent
endorser received payment, strike out paragraph 3a. In the latter instance the last party to whom the
warrant was endorsed should complete paragraph 3a. A separate affidavit should be obtained from the
payee and from each party to whom the warrant was endorsed.

SECTION J - ACCOUNTING FOR PAYROLLS

The following forms have been prescribed for use of counties in connection with the payment of salaries and wages of county officers and employees:

<u>Form No.</u>	<u>Description</u>
County Highway 2	County Highway Payroll Schedule
General 99	Payroll Schedule and Voucher
General 99A	Employee's Service Record
General 99B	Employee's Earnings Record
General 99C	Employee's Weekly (Work Period) Earnings Record
County 16PR	Payroll Warrant and Register

County Highway Payroll Schedule (Form No. 2) - This form shall be used by the county highway department in submitting payrolls, regardless of the fund from which the payroll is to be paid. The form contains printed instructions to be observed in its preparation and use. (See page 6-33 for copy of form.)

Payroll Schedule and Voucher (Form No. 99) - This form shall be used by all offices and departments, except the county highway department. A separate payroll shall be submitted by each office or department and for each fund from which payable. (See page 6-31 for copy of form.)

Employee's Service Record (Form 99A) - This record is required to be kept by each office or department to support the preparation of payrolls. A separate form shall be kept on a calendar year basis for each employee. The record is designed to show for each calendar date whether the employee worked, was absent, or was on vacation, sick or other authorized leave. (See page 6-30 for copy of form.)

If it is deemed desirable to centralize the keeping of all employees' service records in the auditor's office this may be done, with the posting to such records to be made from the payroll schedules filed for payment; however, this will in no way eliminate the need for such records to be kept by offices and departments having a large number of employees, such as the county highway department, to support the preparation of payrolls.

Employee's Earnings Record (Form 99B) - This record is required to be kept by the county auditor for each county officer and employee. It is so designed that it may accommodate all payrolls, whether employees are paid weekly, bi-weekly, semimonthly or monthly. Totals shall be entered for each quarter and for the calendar year, and all entries in such record shall agree with the totals of payroll warrants issued. The record is the basis for reporting earnings and payroll deductions of employees and for preparing earnings statements required to be furnished employees, the Federal Internal Revenue Service and the Indiana Department of Revenue at the close of each year. (See pages 6-36 and 6-37 for copy of form.)

Employee's Weekly (Work Period) Earnings Records (Form 99C) - This record is required to be kept by the county auditor for county employees who are not exempt from the Fair Labor Standards Act and who are not on a fixed work schedule and when the county pays other than weekly. (See page 6-35 for copy of form.)

Payroll Warrant and Register (Form 16PR) - This form shall be used for the payment of all payrolls covering salaries, wages and other compensation for personal services of "county officers and employees," including within that term officers and employees of townships and other governmental units whose salaries and wages are paid by the county auditor.

The term "other compensation for personal services" will include such items as per diem of the regular judge, bailiff and court reporter in change of venue actions, compensation of the clerk of the circuit court for services on the election board and board of canvassers, per diem of board members and similar items, when such payments are made for personal services. The payment of such items on payroll warrants is necessary to insure that all earnings of officers and employees are reported for tax, social security and retirement purposes and to this end should be paid on payrolls submitted by the officer or department. The payroll should be supported by an attached schedule, where necessary to support the compensation claimed, such as per diem allowances of the court.

Items Not Payable on Payroll Warrants

The following items are not considered to be compensation for personal services or do not represent payments to "officers and employees" of the county and, therefore, should not be paid on payroll warrants:

1. Mileage and travel expense allowances.
2. Per diem of jurors, compensation of pauper attorneys (unless serving as an officer or employee of the court), and witness fees.
3. Compensation of precinct election boards.
4. Payments to attorneys, engineers and other professional persons, when serving on a contractual basis, as distinguished from being an officer or employee of the county.

All of the foregoing items, as well as any other items not representing payments to county officers and employees for personal services, should be paid on regular county warrants and not on payroll warrants. This is true even though the items might be budgeted under the personal services classification.

Leave Benefits

Pursuant to IC 5-10-6-1, the vacation leave, sick leave, holiday leave or other leave benefits to which a county employee is entitled must be fixed by ordinance of the board of county commissioners. While this law was enacted to apply to hourly paid employees, it is generally followed in establishing leave benefits for all other employees, since there is no other law specifically governing leave for county employees.

The foregoing will not apply to those officers and departments for which some other board or agency is given authority to establish leave benefits. Included in this category are employees of the county extension service office whose employees are considered to be a part of the staff of Purdue University.

Payroll Deductions

Salaries and wages of officers and employees are subject to withholding for federal, state and county (local option) income taxes, social security and contributions to retirement programs established pursuant to Indiana laws. In addition, deductions may be made for insurance premiums, charitable contributions, purchase of United States bonds and securities and for certain other purposes enumerated in IC 22-2-6-2, where agreed to by the employer and a written assignment is personally signed by the employee.

Provision is made on all payroll forms, including the payroll warrant, for showing the gross wages of the employee, the amount and purpose of such deduction, and the net amount payable. The prescribed payroll warrant also contains a statement (non-negotiable copy of warrant) showing the employee's earnings and deductions which is required to be furnished the employee each pay period, pursuant to IC 22-2-2-8.

A separate fund shall be established for each type of payroll deduction, to which deductions shall be transferred at the time payroll warrants are issued. The handling of deductions is more fully covered in the instructions and exhibits that follow.

Garnishments of Salaries and Wages

Where the earnings of an employee are subject to garnishment, the deduction should be listed on the employee's payroll warrant and should be accounted for in the same manner as any other deduction. In this manner a "Garnishment Fund" will be established, to which deductions will be receipted and disbursed from that fund to garnishment plaintiffs, thus providing a complete record of the transactions.

Payroll Accounting Procedures

To properly account for payroll earnings and deductions and to facilitate posting of records, it is important that a systematic payroll accounting procedure be established.

Two methods of issuing payroll warrants have been prescribed for counties, either of which may be adopted by the county auditor. The two methods provide either for:

1. Establishment of a "Payroll Fund" to which gross amounts required to meet the payrolls are transferred and from which fund payroll warrants will be issued. Under this method, at the option of the county, a separate bank account may also be established for the payroll fund.

OR

2. Issuance of payroll warrants directly from the fund or funds affected, without the establishment of a payroll fund.

Where method (1) is adopted, the payroll warrant shall have printed thereon the name "Payroll Fund." Where method (2) is adopted, the payroll warrants shall be printed with the name of the fund in blank, "_____ Fund."

Method No. 1 - With Payroll Fund

- a. Establish a "Payroll Fund" in addition to all other funds. This fund shall be used for the payment of all personal services regardless of the office or department in which a person is employed or the fund or appropriation account to be charged for such expense.

- b. Payroll Schedule and Voucher, Form 99, shall be filed by each office or department, except for the county highway department whose payrolls shall be submitted on County Highway Payroll Schedule, Form 2. The payroll shall include not only the salaries and wages of officers and employees but shall also include per diem allowances and other compensation for personal services of such officers and employees. Where per diem or other compensation is included it should be described and there shall be attached thereto a separate claim or itemized statement showing the dates and cases for which per diem or other compensation is claimed.
- c. Prepare a summary of the individual payrolls, using Form 99, but indicating thereon the word "SUMMARY." This will compile in total the payrolls for all offices and departments, showing the name of the office or department, total gross pay, the payroll deductions and the net amount of warrants to be issued. The summary should first list the offices and departments whose payrolls are chargeable to the County General Fund, followed by the payrolls chargeable to other funds.
- d. From the totals shown on the payroll "SUMMARY" issue a regular county warrant (not a payroll warrant) for the TOTAL GROSS PAY (before deductions), and receipt such amount to the "Payroll Fund." The warrant or warrants issued must show the amount chargeable to each fund for proper posting by the auditor and treasurer to the respective fund accounts.
- e. Issue payroll warrants from the Payroll Fund, based upon the individual payroll schedules and vouchers. Each warrant must be completed in full showing the gross pay and applicable payroll deductions.
- f. PAYROLL DEDUCTIONS - Immediately following the issuance of the payroll warrants for the pay period, issue a warrant to the "Treasurer of _____ County" for the payroll deductions, entering the total amount of each type of deduction in the applicable spaces on the payroll warrant. The warrant shall then be receipted in by application to pay and quietus and the amounts credited to each of the applicable payroll deduction funds. Do not attempt to accumulate and account for payroll deductions within the payroll fund; instead, transfer the deductions to the separate funds for each type of deduction on the records of the auditor and treasurer.
- g. PROOF OF PAYROLLS - For each pay period and at the close of each month, the payroll warrants must be totaled and proved to the totals of the payroll summaries. Enter the totals of the warrants on the warrant register after the last warrant issued, showing separately the totals of gross pay, each of the payroll deduction columns, and net amount of warrants. These totals should then be carried to a "Control Account" over employees' earnings and payroll deductions, in the Employees' Earnings Record, Form 99B.
- h. POSTING TO LEDGER - All payroll warrants will be posted to the payroll fund. Posting to appropriation and other fund accounts will be made from the individual payroll schedules and vouchers, in GROSS AMOUNT, making reference to the warrant issued for transfer of funds to the payroll fund. The totals of amounts posted to the appropriation accounts and the respective fund accounts must agree.
- i. POSTING TO EMPLOYEES' EARNINGS RECORDS (Form 99B) - Posting to this record should be made from the individual payroll warrants issued. A "control account" using the same form should be placed in the front of all employees' earnings records to insure that proper posting is made to the individual records. Posting to the control account will be made from the totals shown on the payroll warrant register, as discussed in paragraph (g).
- j. FILING - The individual payroll vouchers shall be filed in the regular manner. The payroll "summary" may be filed with the payroll vouchers; however, if the payroll vouchers of all county offices and departments for the payroll period are not filed in a single place, it is recommended that the summaries be filed together or bound in a suitable post binder.

Method No. 2 - Without Payroll Fund

- a. Payrolls shall be submitted on Payroll Schedule and Voucher, Form 99, and County Highway Payroll Schedule, Form 2, in the same manner as shown in paragraph (b) under Method No. 1.
- b. Issue payroll warrants based upon the individual payroll schedules and vouchers, showing on each warrant the name of the fund on which it is drawn. Each warrant must be completed in full, showing the gross pay and applicable payroll deductions. It is not necessary to show on the warrant the appropriation and/or expenditure account to be charged; however, provision may be made on the payroll warrant for showing the account number, if desired.
- c. PAYROLL DEDUCTIONS - Immediately following the issuance of payroll warrants, issue a warrant to the "Treasurer of _____ County" for the payroll deductions and receipt such deductions into the applicable payroll deduction funds, in the same manner as discussed in paragraph (f) under Method No. 1.
- d. PROOF OF PAYROLLS - For each pay period and at the close of each month the payroll warrants must be totaled and the totals entered on the warrant register after the last warrant issued, showing separately the totals of gross pay, each of payroll deductions, and the net amount of warrants. These totals should then be carried to a "Control Account" over employees earnings and payroll deductions in the Employees' Earnings Record, Form 99B.
- e. POSTING TO LEDGER - Posting to the fund accounts will be made from the warrant register (copies of warrants issued). Posting to the appropriation and expenditure accounts will be made from the individual payroll schedules and vouchers, in GROSS AMOUNT, making reference to the warrant or warrants issued; however, if the account number is carried on the warrant, posting may be made from the warrant register. The totals of amounts posted to the appropriation accounts and the respective fund accounts must agree.
- f. POSTING TO EMPLOYEES' EARNINGS RECORDS - Posting to this record will be made in the same manner as discussed in paragraph (i) under Method No. 1.
- g. FILING - It is recommended that payroll vouchers be separately filed from other claims and vouchers paid. It is also recommended that payroll claims be entered in the Commissioners Claim and Allowance Docket in a group separate from other claims to facilitate proof of payrolls. If desired, a summary of all payrolls may be prepared in the manner discussed in paragraph (c) under Method No. 1, as a further proof of payroll warrants issued.

Accounting for Payroll Deductions

Experience has shown that one of the most difficult problems encountered by public officials is accounting for payroll deductions. That is the reason the prescribed accounting procedures provide for transfers of payroll deductions into separate funds, with a separate fund to be established for each type of deduction. Also, the establishment of such funds provides a further proof of the correctness of the deductions and remittances since the entries in each fund can be reconciled to the control account in the employees' earnings records, to the earnings statements furnished employees at the close of the year and to the reports and remittances required to be made to the various federal, state and other agencies.

Deductions for federal, state and county (local option) taxes should offer no difficulty, since remittances to the Internal Revenue Service and to the State Department of Revenue should be equal to the amounts withheld from employees. The same is true where the entire amount deducted from employees' earnings for any purpose is paid by the employees; however, where a part of the expense, such as social security contributions or group insurance, is payable by the county a different handling is required.

In all instances only the deductions from employees' payrolls should be receipted to the payroll deduction funds. When a remittance is made for such items as social security and group insurance and a part is payable by the county, the county's portion should be charged directly to the county fund or funds affected and only the employees' portion charged to the payroll deduction fund.

It is not required that a claim or voucher be filed by a state or federal agency to which withholding taxes, retirement contributions, social security or other payments are required to be made, nor is it required that claims be allowed prior to their payment, since such payments must be made in accordance with applicable laws. It is suggested, however, that reports and other information supporting each payment be attached to a claim, Form 17, so that it can be processed and filed in an orderly manner and preserved for future reference and audit.

In the case of social security contributions, where the remittance is required to be based upon the total taxable payroll, with one-half to be contributed by employees from the "Social Security Deductions" fund and one-half contributed by the county, it will usually result in there being a small difference between the amounts withheld from employees and the amount required to be contributed by the county. Also, when remittances are made, the county's contribution will be payable from the County General Fund, County Highway Fund and certain other funds, depending upon the fund to which the county's contribution is chargeable. The county's portion chargeable to each fund may be arrived at by determining the amounts withheld from employees either from: (1) the payroll summaries; (2) the totals of the payroll warrants charged to each fund; or (3) from the Employee's Earnings Record control accounts, if maintained by fund from which paid. After the amounts withheld from employees are determined, charge each fund (other than the County General Fund) with an amount equal to the amounts withheld from employees and charge the General Fund with the remaining portion of the county's contribution. This will result in any difference between the employees' and the county's contributions being reflected in the General Fund but the difference should be minimal.

State Withholding Tax

If a political subdivision's tax liability exceeds \$10,000, the taxpayer shall pay taxes due by electronic funds transfer or by delivering in person or by overnight courier a payment by cashier's check, certified check, or money order to the Indiana Department of Revenue. The transfer or payment shall be made on or before the date the tax is due. [IC 6-2.1-5-1.1]

EMPLOYEE'S EARNINGS RECORD

UNIT _____ BASIS OF PAY (PER MONTH, WEEK, HOUR) \$ _____ \$ _____ MR., MRS., MISS _____
 OFFICE, BOARD OR DEPARTMENT _____ OTHER COMPENSATION TYPE _____ ADDRESS _____
 (SEE OTHER SIDE FOR INSTRUCTIONS) _____ AMOUNT _____ CITY _____ ZIP CODE _____
 EXEMPTION STATUS FEDERAL _____ STATE _____ SOC. SEC. NO. _____

Form Prescribed by State Board of Accounts

General Payroll Form 99B (Rev. 1985)

	DATE OF WARRANT	PAYROLL PERIOD ENDING	C o d e	NONCASH BENEFITS	GROSS PAY	TOTAL	DEDUCTIONS						AMOUNT OF WARRANT	WARRANT NUMBER
							FEDERAL WITH. TAX	SOCIAL SECURITY	STATE WITH. TAX	INSURANCE	RETIREMENT			
	1													
	2													
	3													
	4													
	5													
	6													
	7													
	8													
	9													
	10													
	11													
	12													
	13													
	14													
	TOTAL 1ST QUARTER													
	1													
	2													
	3													
	4													
	5													
	6													
	7													
	8													
	9													
	10													
	11													
	12													
	13													
	14													
	TOTAL 2ND QUARTER													
	TOTAL TO DATE													

SAMPLE

EMPLOYEE'S EARNINGS RECORD

MR., MRS., MISS _____
 ADDRESS _____
 CITY _____ ZIP CODE _____
 SOC. SEC. NO. _____

INSTRUCTIONS

This form is so designed that it may be used to record compensation paid on a weekly, bi-weekly, semi-monthly or monthly basis. A separate sheet shall be used for each employee and must show quarterly totals and year to date totals. One sheet, both sides, is sufficient for one employee for one full year.

General Payroll Form 99B (Rev. 1985)

	DATE OF WARRANT	PAYROLL PERIOD ENDING	Code	NONCASH BENEFITS	GROSS PAY	TOTAL	DEDUCTIONS							AMOUNT OF WARRANT	WARRANT NUMBER		
							FEDERAL WITH. TAX	SOCIAL SECURITY	STATE WITH. TAX	INSURANCE	RETIREMENT						
	FORWARD																
1																	
2																	
3																	
4																	
5																	
6																	
7																	
8																	
9																	
10																	
11																	
12																	
13																	
14																	
	TOTAL 3RD QUARTER																
	TOTAL FOR ALL																
1																	
2																	
3																	
4																	
5																	
6																	
7																	
8																	
9																	
10																	
11																	
12																	
13																	
14																	
	TOTAL 4TH QUARTER																
	TOTAL FOR YEAR																

SAMPLE

SECTION K - LOANS AND ADVANCES

Temporary Loans (Tax Anticipation Notes or Warrants)

A county may borrow funds by temporary loans, in an amount not exceeding the revenue for the current year, pursuant to IC 36-2-6-18, but all such loans shall be evidenced by "Tax Anticipation Notes or Warrants" of the county and be issued in accordance with the provisions of IC 36-2-6-18 to 36-2-6-20.

The tax anticipation notes or warrants shall be authorized by ordinance of the county council and shall be sold by the county auditor to the highest bidder therefor, but in no event at less than par and accrued interest to date of delivery, after giving notice of sale thereof by publication in accordance with IC 5-3-1-2. Where the interest rate exceeds 8%, approval of such rate must be obtained from the State Board of Tax Commissioners, pursuant to IC 6-1.1-20-7.

The notes or warrants must show the funds and revenues in anticipation of which they are issued and out of which they are payable. The principal of a temporary loan may be paid without an appropriation, but an appropriation is required for payment of the interest, where it is borrowed for a fund subject to the provisions of the budget laws.

IC 36-2-6-20 makes it the duty of the auditor, with the advice of the county attorney, to prepare the notes or warrants and deliver them to the county treasurer to complete the loan. The form of notice to be given bidders and the contents of the ordinance and notes or warrants are legal matters in which county officials should be advised by the county attorney. However, to assist in this matter, suggested forms of the notice to bidders and tax anticipation time warrant are set out on the following pages.

NOTICE OF RECEIVING BIDS FOR TEMPORARY LOAN

Notice is hereby given that sealed bids will be received up to the hour of _____ (a.m. or p.m.) on the _____ day of _____, 20____, at the office of the Auditor of _____ County, Court House, _____, Indiana, for a tax anticipation warrant (or warrants) to be issued by said county for a temporary loan in the amount of \$_____ for the _____ Fund, in anticipation of the current revenues of the county and for a term not to exceed _____ days.

Each bid shall stipulate the rate of interest to be charged and shall be accompanied by an affidavit that no collusion exists between the bidder and any other person relative to such bid.

Prior to maturity all or any amount of the principal may be prepaid with accrued interest to the date of repayment.

Auditor of _____ County

NOTE: See the following page for example of Tax Anticipation Time Warrant.

No. _____

_____ COUNTY, INDIANA, TAX ANTICIPATION TIME WARRANT

_____ FUND

On the ____ day of _____, 20__, _____ County, Indiana, promises to pay to the bearer, at the office of the auditor of said county the sum of _____ (\$_____) with interest thereon at the rate of _____ percent (_____%) per annum from the date thereof to maturity, payable out of and from taxes levied in the year 20__, payable in the year 20__, which taxes are now in course of collection (if payable from "other revenues" in anticipation of which the warrant is issued, so describe) for the _____ Fund. This warrant may be prepaid prior to maturity at the principal amount hereof plus accrued interest to the date of prepayment.

This Tax Anticipation Time Warrant is one of a series of warrants aggregating a sum of _____ (\$_____), exclusive of interest, evidencing a temporary loan in the total amount of _____ (\$_____).

Said temporary loan was authorized by an ordinance duly adopted by the County Council of said county, at a meeting thereof duly and legally convened and held on the ____ day of _____, 20__, for the purpose of providing funds for the _____ Fund of said county, in compliance with Sections 36-2-6-18 to 36-2-6-20 of the Indiana Code.

The consideration of said warrant is a loan made to the county in anticipation of taxes and other revenues for the current year for the _____ Fund and said taxes and other revenues are hereby specifically appropriated and pledged to the payment of this Tax Anticipation Time Warrant.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to the authorization, preparation, complete execution and delivery of said warrant have been done and performed as provided by law.

IN WITNESS WHEREOF, we have caused this warrant to be executed and have affixed the signatures and the seal of the members of the Board of Commissioners of said county, attested to by the County Auditor, this _____ day of _____, 20__.

Members of Board of Commissioners
_____ County, Indiana

ATTEST:

Auditor of _____ County, Indiana

Loans Other Than Temporary

The county fiscal body may, by ordinance, make loans for the purpose of procuring money to be used in the exercise of county powers and for the payment of county debts other than current running expenses, and issue bonds or other county obligations to refund those loans.

The county fiscal body may, by ordinance, make loans of money for not more than five (5) years and issue notes for the purpose of refunding those loans. The loans may be made only for the purpose of procuring money to be used in the exercise of the powers of the county, and the total amount of outstanding loans may not exceed five percent (5%) of the county's total tax levy in the current year (excluding amounts levied to pay debt service and lease rentals). The ordinance authorizing the loans must pledge to their payment a sufficient amount of tax revenues over the ensuing five (5) years to provide for refunding the loans. The loans must be evidenced by notes of the county in terms designating the nature of the consideration, the time and place payable, and the revenues out of which they will be payable.

Temporary Advances (Loans) Between Funds

Whenever it becomes necessary to borrow money to enhance any depleted fund of the county and there is sufficient money on deposit to the credit of any other fund of the county which can be temporarily advanced or transferred to such depleted fund, it shall be lawful, upon the adoption of an ordinance or resolution by the county council, to make such advance for such period of time as may be prescribed in the ordinance or resolution, providing it does not extend beyond the budget year of the year in which the advancement and transfer is made. [IC 36-1-8-4] The only limitation is that any such advancement shall be made only from funds derived from the levying and collection of taxes on property, the levying and collection of special taxes, and from other revenue derived from any operation of the county. This limitation restricts advances from the proceeds of a bond issue, from trust and endowment funds, from federal grants and similar sources not meeting the authorized sources.

If the fiscal body determines that an emergency exists that requires an extension of the prescribed period of a transfer, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following:

1. Passes an ordinance or a resolution that contain the following:
 - A. A statement that the fiscal body has determined that an emergency exists.
 - B. A brief description of the grounds for the emergency.
 - C. The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs.
2. Immediately forwards the ordinance or resolution to the State Board of Accounts and the State Board of Tax Commissioners.

Upon adoption of the ordinance or resolution by the county council the auditor is authorized to make such advance. The advance should be made in the manner outlined in Section H of this chapter under "Transfers Between Funds" and the repayment of the advance should be handled in the same manner.

Welfare Fund Advance

If the amount of money in the County Welfare Fund is not sufficient to meet the requirements of that fund, funds may be provided by borrowing and the issuance of bonds, pursuant to IC 12-19-5 or IC 12-19-7 and other provisions of the welfare laws. Temporary loans, through the issuance of tax anticipation notes or warrants, and advances (loans) from other funds previously discussed in this section, may also be made, if authorized by the county council, where such loans and advances are repayable from current revenues.

Bond Issues

As indicated herein, bonds may be issued to meet welfare requirements. In addition, there are many other laws authorizing bonds to be issued for construction of or improvements to county buildings and structures, as well as for other purposes. Where bonds are issued there are specific statutory requirements to be met in which county officials should be guided by the advice of bond counsel, with the proceeds to be accounted for in the manner provided in the bond ordinance or in the applicable law under which the bonds are issued.

There are, however, certain uniform requirements in accounting for such funds which must be observed. These include:

1. Principal of Bond Issue - Only the principal of the proceeds of the bond issue may be receipted to the "_____ Construction Fund," or to such other fund as designated in the applicable ordinance or law under which the bonds were issued.
2. Premium and Accrued Interest - The premium and accrued interest received from the sale of the bonds must be receipted into the "_____ Bond Redemption Fund" or such other fund designated for the retirement of the bonds and interest.
3. Appropriations - Where the proceeds (principal) of the bonds are required to be appropriated, such as general obligation bonds of the county for any purpose, not more than the appropriation may be expended, regardless of the cash available in the fund for such purpose. An appropriation ledger sheet, Form 24A, should be set up back of the fund (cash) account in all instances where appropriations are required. Appropriations made from the proceeds of a bond issue do not lapse at the end of the year but remain in force, and the balance is carried forward each year, until the purpose for which the appropriations were made has been accomplished or abandoned. [IC 5-1-2-1]
4. Investments - The proceeds of a bond issue may be invested in the same manner as other county funds. [IC 5-13-9-1] The interest thereon shall be receipted to the county general fund unless otherwise provided in the bond ordinance. The interest may be applied to the appropriate bond interest or sinking fund. [IC 5-13-9-6] The interest may not, however, be expended without appropriation as discussed in the preceding paragraph (3).

5. Surplus Bond Proceeds - Any balance remaining after the purpose for which the bonds were issued has been accomplished or abandoned shall, by an order of the county council entered of record, be transferred to the bond and interest redemption fund or may be used by a political subdivision for the same purpose or type of project for which the bonds were originally issued if the fiscal officer of the political subdivision certifies before or at the time of that use that the surplus was not anticipated at the time of the issuance of the bonds and the legislative body responsible for issuing the bonds takes action approving the use of surplus bond proceeds or investment earnings for the same purpose or type of project for which the bonds were originally issued.

SECTION L - FINANCIAL STATEMENTS AND REPORTS

Monthly Financial Statement

At the close of each calendar month a Monthly Financial Statement, County Form No. 61, shall be prepared, showing the financial transactions for the month and year to date, for each fund and in total.

The county treasurer is also required to independently prepare a Monthly Financial Statement on the same form and the two statements must be reconciled. If any differences exist between the records of the auditor and the treasurer, they must be identified and immediate steps taken to bring the records of the two offices into agreement.

The statements are prescribed to be placed in a post-binder and shall be carefully preserved as a permanent record.

Annual Financial Statement of Board of Commissioners

At its second regular meeting each year, the executive shall make an accurate statement of the county's receipt and expenditures during the preceding calendar year. The statement must include the name of and compensation paid to each county officer, deputy, and employee.

Pursuant to IC 36-2-2-19, this becomes the Annual Financial Statement of the board of county commissioners and the board shall cause the statement to be posted at the courthouse door and at two (2) other places in the county, and be published in the manner prescribed by IC 5-3-1.

To meet the posting and publication requirements, a statement should be typed in the form it is to be posted and published prior to the meeting of the board, and provision made at the bottom of the statement for certificate of the auditor and approval of the board of county commissioners, in substantially the following form:

"STATE OF INDIANA, _____ COUNTY, SS:

I hereby certify the foregoing to be a true and correct statement of the receipts, disbursements and balances of the funds of _____ County, for the calendar year 20____. Dated this _____ day of January, 20____.

_____/s/ (Signature of Auditor)
Auditor of _____ County

"Examined and Approved this _____ day of January, 20____.

_____/s/ (Signatures of _____
_____/s/ Members _____
_____/s/ of Board)
Board of County Commissioners"

Report to State Board of Accounts

Pursuant to IC 5-11-1-4, the county auditor is required to prepare and file an Annual Financial Report with the State Board of Accounts. The report is prepared on forms furnished by this board and must be filed on or before January 31 after the close of the calendar year.