

THE COUNTY BULLETIN

And Uniform Compliance Guidelines

ISSUED BY STATE BOARD OF ACCOUNTS

Vol. No. 425

March 2021

REMINDER OF ORDER OF BUSINESS

April

- 1 On or before April 1 is the last regular day for filing applications for tax exemption by Churches, Educational and Charitable organizations. (IC 6-1.1-11-3)

On or before April 1, of each even numbered year, the County Auditor shall provide to the County Assessor a list by taxing district of property for which a tax exemption was in effect for the immediately preceding year. (IC 6-1.1-11-5)
- 2 Good - Friday - Legal Holiday (IC 1-1-9-1)
- 27-29 State Board of Accounts called meeting for County Recorders – Indianapolis
- 30 Last day to file quarterly report of federal withholding tax with Director of Internal Revenue Service.

May

- 1 Prepare report of school funds to Auditor of State and make payment of principal and interest due to Treasurer of State on the Common and Permanent Endowment Funds and pay the Treasurer of State all fines and forfeitures on hand April 30, 2021, as shown in this report. (IC 20-42-1-6)
- 10 First installment of property taxes due. (IC 6-1.1-22-9)
- 15 Due date for personal property tax returns and filing for exemption. (IC 6-1.1-3-1.5) (IC 6-1.1-3-7)
- 31 Memorial Day – Legal Holiday (IC 1-1-9-1)

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REMINDER OF ORDER OF BUSINESS
(Continued)

June

- 1 Last date for filing County Highway Annual Operational Report with the State Board of Accounts and other governmental agencies. (IC 8-17-4.1-7)
- On or before this date the County Treasurer shall search the records to ascertain if person so certified is delinquent in payment of Property Taxes and certify to Auditor of State and state agencies the names of state employees owing delinquent taxes. (IC 6-1.1-22-14) (IC 6-1.1-22-16)
- County Treasurer to prepare a list of persons owing delinquent taxes and believed to have money due from Auditor of State, Indiana Department of Transportation or any state institution or state school and furnish the list to those agencies on or before June 1. (IC 6-1.1-22-16)
- 16-17 State Board of Accounts called meeting for Clerk of the Circuit Courts - Indianapolis
- 20 On or before June 20th and December 20th of each year, the county auditor and the county treasurer shall meet in the office of the county auditor. Before each semi-annual meeting, the county auditor shall complete an audit of the county treasurer's monthly reports required under IC 36-2-10-16. In addition, the county auditor shall: (1) prepare a certificate of settlement on the form prescribed by the state board of accounts; and (2) deliver the certificate of settlement to the county treasurer at least two (2) days before each semi-annual meeting. (IC 6-1.1-27-1(a))
- 30 Immediately after each semi-annual settlement, the county auditor shall send a copy of the certificate of settlement and a statement of the distribution of the taxes collected to the state auditor. On or before June 30th and December 31st of each year, the county treasurer shall pay to the state treasurer the money due the state as shown by the certificate of settlement. (IC 6-1.1-27-3)
- On or after January 1 of each calendar year in which a tax sale will be held in a county and not later than fifty-one (51) days after the first tax payment due date in that calendar year, the County Treasurer shall certify to the county auditor a list of real property eligible for tax sale. (IC 6-1.1-24-1(a))

SCHOOL BUS CONVENIENCES

The cost of providing loading and unloading conveniences for school buses on county highways and roads shall be paid by the county as provided by IC 20-27-10-1.

IC 20-27-10-1 states: "To promote safety in school bus operations, school corporations shall cooperate with the civil divisions of local and state government to provide necessary loading and unloading conveniences as an accessory to public streets and highways. The cost of providing these conveniences shall be paid by the civil divisions of government."

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Vehicle Inspection Fund

IC 9-17-2-12(e) states: "A police officer who makes an inspection under this section may charge a fee, subject to the following:

- (1) The fee must be established by ordinance adopted by the unit (as defined in [IC 36-1-2-23](#)) that employs the police officer.
- (2) The fee may not exceed five dollars (\$5).
- (3) The revenue from the fee shall be deposited in the following manner:
 - (A) A special vehicle inspection fund if the police officer making the inspection is a member of the county sheriff's department. The fiscal body of the unit must appropriate the money from the inspection fund only for law enforcement purposes.
 - (B) A local law enforcement continuing education fund established by [IC 5-2-8-2](#) if the police officer making the inspection is a member of a city or town police department, a town marshal, or a town marshal deputy."

In the enabling ordinance, it is further suggested a procedure for handling the fees be established similar to those prescribed by the State Board of Accounts for accident report copy fees and handgun license applications and/or transfers, as follows:

- (1) Issue a receipt, Sheriff's Receipt No.133, for each fee collected.
- (2) Remit receipts to the County Auditor once each month, on the Monthly Report of Collections (County Form No. 362).
- (3) The County Auditor shall receipt the collections into the Vehicle Inspection Fund.

Inmate Trust Fund

IC 36-8-10-22 states:

- (a) This section applies to any county that operates a county jail.
- (b) The sheriff shall hold in trust separately for each inmate any money received from that inmate or from another person on behalf of that inmate.
- (c) If the inmate or the inmate's legal guardian requests a disbursement from the inmate's trust fund, the sheriff may make a disbursement for the personal benefit of the inmate, including but not limited to a disbursement to the county jail commissary.
- (d) Upon discharge or release of an inmate from the county jail, the sheriff shall pay to that inmate or the inmate's legal guardian any balance remaining in the inmate's trust fund.

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Inmate Trust Fund (Continued)

(e) If an inmate is found guilty of intentionally destroying or losing county property after a hearing conducted under [IC 11-11-5-5](#), the sheriff may disburse from the inmate's trust fund or commissary account sums of money as reimbursement to the county for the inmate's intentional destruction or loss of county property, including but not limited to clothing, bedding, and other nondisposable items issued by the county to the inmate. Before disbursing money under this subsection, the sheriff shall adopt rules to administer this procedure.

(f) The sheriff shall maintain a record of each trust fund's receipts and disbursements. The state board of accounts shall prescribe the form for this record.

In order to comply with these provisions, the sheriff may post the receipts and disbursements through the Sheriff's Cash Book, through the trust column. County Form No. 133 for receipts and County Form No. 141 for disbursements would be used and General Form No. 358 for each individual inmate trust fund. An alternate method would be to use General Form No. 358, Ledger of Receipts, Disbursements and Balances as a control and also for each individual inmate trust fund. The balances from the total individual ledger must be equivalent to the control ledger on any given date.

Jail Commissary Fund

IC 36-8-10-21 states:

(a) This section applies to any county that has a jail commissary that sells merchandise to inmates.

(b) A jail commissary fund is established, referred to in this section as "the fund". The fund is separate from the general fund, and money in the fund does not revert to the general fund.

(c) The sheriff, or the sheriff's designee, shall deposit all money from commissary sales into the fund, which the sheriff or the sheriff's designee shall keep in a depository designated under [IC 5-13-8](#).

(d) The sheriff, or the sheriff's designee, at the sheriff's or the sheriff's designee's discretion and without appropriation by the county fiscal body, may disburse money from the fund for:

- (1) merchandise for resale to inmates through the commissary;
- (2) expenses of operating the commissary, including, but not limited to, facilities and personnel;
- (3) special training in law enforcement for employees of the sheriff's department;
- (4) equipment installed in the county jail;
- (5) equipment, including vehicles and computers, computer software, communication devices, office machinery and furnishings, cameras and photographic equipment, animals, animal training, holding and feeding equipment and supplies, or attire used by an employee of the sheriff's department in the course of the employee's official duties;

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Jail Commissary Fund (Continued)

- (6) an activity provided to maintain order and discipline among the inmates of the county jail;
- (7) an activity or program of the sheriff's department intended to reduce or prevent occurrences of criminal activity, including the following:
 - (A) Substance abuse.
 - (B) Child abuse.
 - (C) Domestic violence.
 - (D) Drinking and driving.
 - (E) Juvenile delinquency;
- (8) expenses related to the establishment, operation, or maintenance of the sex and violent offender registry web site under [IC 36-2-13-5.5](#); or
- (9) any other purpose that benefits the sheriff's department that is mutually agreed upon by the county fiscal body and the county sheriff.

Money disbursed from the fund under this subsection must be supplemental or in addition to, rather than a replacement for, regular appropriations made to carry out the purposes listed in subdivisions (1) through (8).

(e) The sheriff shall maintain a record of the fund's receipts and disbursements. The state board of accounts shall prescribe the form for this record. The sheriff shall semiannually provide a copy of this record of receipts and disbursements to the county fiscal body. The semiannual reports are due on July 1 and December 31 of each year

In order to comply with these provisions, use General Form No. 352, General Receipt; General Form 353, General Warrant; and Commissary Fund No. 205, Ledger of Receipts, Disbursements and Balances. The commissary fund is held in a separate bank account that must be reconciled monthly. Do not post these transactions to the Sheriff's Cash Book.

The sheriff is to provide a copy of the commissary fund's receipts and disbursements to the county council. The semiannual reports are due on July 1 and December 31 of each year. The SBOA has prescribed Form 205, Ledger of Receipts, Disbursements and Balances for the Commissary fund, for use as a semiannual report. The County always has the option to choose an alternative form and have that form (or report) approved as part of the audit process.

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Handgun Licenses

IC 35-47-2-3 states in part:

“(b) The law enforcement agency which accepts an application for a handgun license shall collect the following application fees:

- (1) From a person applying for a four (4) year handgun license, a ten-dollar (\$10) application fee, five dollars (\$5) of which shall be refunded if the license is not issued.
- (2) From a person applying for a lifetime handgun license who does not currently possess a valid Indiana handgun license, a fifty-dollar (\$50) application fee, thirty dollars (\$30) of which shall be refunded if the license is not issued.
- (3) From a person applying for a lifetime handgun license who currently possesses a valid Indiana handgun license, a forty dollar (\$40) application fee, thirty dollars (\$30) of which shall be refunded if the license is not issued....the fee shall be deposited into the law enforcement agency’s firearms training fund or other appropriate training activities fund and used by the agency to train law enforcement officers in the proper use of firearms or in other law enforcement duties, or to purchase firearms, firearm related equipment, or body armor (as defined in IC 35-47-5-13(a)) for the law enforcement officers employed by the law enforcement agency. The state board of accounts shall establish rules for the proper accounting and expenditure of funds collected under this subsection.”

In keeping with the provisions of this statute, the following procedure is recommended for accounting for such application fees:

- (1) Issue a Receipt, Sheriff’s Receipt No. 133 for each fee collected.
- (2) Remit receipts to the County Auditor on the Monthly Report of Collections (County Form No. 362.)
- (3) The county auditor shall receipt the fees to a separate fund in the ledger of receipts and disbursements titled “Firearms Training Fund” and the county treasurer shall deposit such receipts in a designated depository of the county. A separate depository account is not required.
- (4) If the application is turned down, a refund shall be made from the Firearms Training Fund without appropriation upon the basis of a claim filed, allowed and paid in the proper legal manner. No refunds are to be made from any other fund of the unit.

Such fees are to be deposited into the law enforcement agency's firearms training fund or other appropriate training activities fund and used by the agency to train law enforcement officers in the proper use of firearms or in other law enforcement duties, or to purchase firearms, firearm related equipment, or body armor for the law enforcement officers employed by the law enforcement agency.

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Retail Handgun Dealer's License – Issuance – Fee – Disposition of Fee

IC 35-47-2-15 states in part:

- (a) A person desiring a retail handgun dealer's license shall apply to the sheriff of the county in which the person resides, or if the person is a resident of another state and has a regular place of business in Indiana, then to the sheriff of the county in which the person has a regular place of business. The applicant shall state the applicant's name, full address, occupation, sex, race, age, place of birth, date of birth, nationality, height, weight, build, color of eyes, color of hair, complexion, scars and marks, and any criminal record (minor traffic offenses excepted). The officer to whom the application is made shall verify the application and search the officer's records concerning the applicant's character and reputation.
- (b) The officer to whom the application is made shall send to the superintendent:
 - (1) the verified application;
 - (2) the results of the officer's investigation; and
 - (3) the officer's recommendation for approval or disapproval of the application; in as many copies as the superintendent shall designate, and one (1) set of legible and classifiable fingerprints of the applicant. The superintendent may make whatever further investigation the superintendent deems necessary. Whenever disapproval is recommended by the officer to whom the application was made, the officer shall provide the superintendent and the applicant with the officer's complete reasons for the disapproval in writing. If the officer to whom the application is made recommends approval, the officer shall instruct the applicant in the proper method of taking legible and classifiable fingerprints.
- (c) If an applicant applies for a license under this section before July 1, 2011, and it appears to the superintendent that the applicant is of good character and reputation and a proper person to be licensed, the superintendent shall issue to the applicant a retail handgun dealer's license which shall be valid for a period of two (2) years from the date of issue. The fee for the license shall be twenty dollars (\$20), which shall be deposited with the officer to whom the application is made, who shall in turn forward it to the superintendent for deposit with the treasurer of state when the application is approved by the superintendent.

Such fee shall be handled as trust funds are handled when received.

Accident Report Fund

IC 9-26-9-3 allows County Sheriff's to charge a fee which shall be fixed by ordinance of the fiscal body in an amount not less than five dollars (\$5.00) for each report. The fee shall be deposited in a separate account to be known as the Accident Report Fund and may be expended at the discretion of the County Sheriff for any purpose reasonably related to the keeping of accident reports and records or the prevention of street and highway accidents.

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Accident Report Fund (Continued)

We recommend the following procedures be used in accounting for such transactions:

- (1) Issue a Receipt, Sheriff's Receipt No. 133 for each fee collected and post the receipt to the Sheriff's Cash Book.
- (2) Remit the receipts to the County Auditor at the end of each month on the Monthly Report of Collection (County Form No. 362).
- (3) The County Auditor shall receipt the fees to a separate "Accident Report Fund."

The money in the fund may be expended for the purposes listed in IC 9-26-9-3 without appropriation.

Buy Money

The following procedures should be followed in obtaining and making expenditures for buy money or payments to informants:

- (1) Under IC 36-1-3 an ordinance be passed allowing this type of program and associated expenditures;
- (2) An appropriation for such purpose be provided in the manner authorized by state statutes;
- (3) Petty cash fund procedures are followed as authorized by IC 36-1-8-3; and
- (4) A minimum documentation procedure to be followed.

Telephone Fees at the County Jail

IC 36-8-10-21 allows the County Sheriff to establish a commissary fund for the sale of merchandise to inmates. If the county jail has pay telephones, which pays a long-distance commission to the county, and those telephones are in an area of the jail used exclusively by inmates, then we would not take an audit exception to those commissions being deposited in the Commissary Fund.

However, if the telephones are in an area of the jail which is accessible to the public, then the commission for long distance calls shall be deposited in the County General Fund and would require an additional appropriation for expenditure of this revenue.

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County Extradition and Sheriff Assistance Fund

IC 35-33-14 establishes in each county a county extradition and sheriff assistance fund for the purposes of providing funding (1) to offset the cost of extraditing criminal defendants; (2) to train and equip law enforcement officers in the county; and (3) to offset other costs incurred by the county sheriff's department in providing law enforcement services. Money in the fund may not be used for any other purpose. The fund consists of the portion of late surrender fees deposited in the fund under IC 27-10-2-12(i). The fund is to be administered by the county auditor and money left at the end of the calendar year does not revert to any other fund but remains in the county extradition and sheriff's assistance fund.

Any police officer incurring expenses in accordance with the Uniform Criminal Extradition Act, IC 35-33-10-3 should file a claim, County Form No. 17, for all expenses incurred in the extradition of prisoners. The claim should be against the county wherein the crime is alleged to have been committed. The expenses should be paid from the County General Fund if the County Extradition Fund established under IC 35-33-14 does not have a sufficient balance to pay the expenses. Assuming appropriations are not available for extradition purposes, additional appropriations should be secured in the proper legal manner.

The amount of reimbursement should be in accordance with IC 35-33-10-3(25) which provides, "The expenses shall be the fees paid to the officers of the state on whose governor the requisition was made, as now provided by law, for all necessary travel in returning such prisoner."

A county may adopt a local home rule ordinance which provides for travel advances. Naturally, we would expect sufficient documentation such as receipts for all expenses incurred (airline ticket costs, bus travel costs, etc.) The original receipts plus the remaining cash advance must agree with the total of the travel advance. Any differences will be the responsibility of the police officer

Social Security Incentive Payments to Counties

Several counties have been receiving incentive payments from the Social Security Administration (SSA) as a result of an agreement being executed between the local sheriff's department and SSA. The sheriff sends a listing of those individuals being confined to SSA. If SSA determines that any of those individuals are currently receiving Supplemental Security Income (SSI) benefits, these benefits will be suspended, and an incentive payment will be deposited into the sheriff's bank account by EFT. Effective August 9, 2018, incentive payments will be \$400 per individual for information received within thirty days of confinement or \$200 per individual for information received after thirty days but within ninety days after confinement. These payments should be transferred by the sheriff to the County Treasurer and quietused into the County General Fund.

Federal Reimbursement for Housing Federal Prisoners

All reimbursements to the county sheriff from the federal government for housing federal prisoners shall be turned over to the county auditor for deposit into the County General Fund.

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LOCAL INCOME TAX – ECONOMIC DEVELOPMENT

Counties may adopt a local income tax expenditure rate. This tax is then allocated by the adopting body between economic development, public safety and certified shares. See Indiana Code 6-3.6-6. Economic Development funds from the local income tax expenditure rate are often called EDIT funds. The Commissioners must adopt a Capital Improvement plan specifying the amount allocated for economic development purposes. The requirements for a capital improvement plan are found in Indiana Code 6-3.6-6-9.5. However, the EDIT fund must also be appropriated before it can be spent. So, to spend economic development funds, the county must complete the following two items:

1. Commissioners must adopt a capital improvement plan.
2. Council must appropriate the fund consistent with the capital improvement plan.

Our audit position that the EDIT fund must be appropriated is based on the following. IC 36-2-5-2(b) states: "The county fiscal body shall appropriate money to be paid out of the treasury, and money may be paid out of the treasury only under an appropriation made by the fiscal body, except as otherwise provided by law." We do not see anything in IC 6-3.6 that specifically allows the EDIT funds to be paid without appropriation. Therefore, the EDIT fund must be appropriated by county council but only for those items included in the capital improvement plan.

RECORDER UCC FEES

Historically the UCC fees have been determined by IC 26-1-9.1-525. This statute changed in 2019 and the question of whether the statute even applied to the county level anymore surfaced. While working with the Recorders Association a discussion was had about just using the fees outlined for the Recorder in IC 36-2-7-10. State Board of Accounts reached out to the Attorney General for an official opinion. With the response from the Attorney General's office, it is now our audit position that all Recorder fees outlined in IC 36-2-7-10(b) include UCC filings.

GATEWAY UPLOADS – Amended Directive

State Examiner Directive 2018-1 was amended on November 9, 2020 to include additional monthly and annual upload requirements. The amended directive is effective starting with December 2020 monthly files. The upload of December monthly files will be due February 2021, and by the 15th of each month thereafter unless the State Board of Accounts establishes a different date.

The amended directive is available for review at https://www.in.gov/sboa/files/Directive-2018-1-Monthly-and-Annual-Engagement-Uploads-Amended-11_9_2020.pdf . There have been changes to the monthly and annual information required to be uploaded by the Auditors, Treasurers, Clerks, Recorders, and Sheriffs.

In addition to the monthly and annual files, additional records, known as "Direct Request Uploads," must be uploaded when required by the SBOA. This process is discussed in the user guide described below.

If you have questions, please refer to the user guide for the Engagement Uploads located at: <https://gateway.ifionline.org/userguides/engagementguide> . If, after consulting the user guide, you still have questions, please contact the County Directors at counties@sboa.in.gov .

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ACCOUNTING FOR FEDERAL GRANTS

The State Board of Accounts prescribes the use of fund accounting to provide accountability for government activities and financial status. This means that individual funds are used to segregate financial activity based on sources and uses which helps promote transparency.

It has come to our attention recently that federal grants are being commingled with other tax levy funds when the uses are similar if not the same. Federal grants should be maintained in their own separate fund with the 8000 series, per the prescribed Chart of Accounts, which can be found at https://www.in.gov/sboa/files/Funds-and-Account-Tables-09_01_20.pdf . Accounting for grants separately not only promotes transparency but helps when gathering information for the required Schedule of Expenditures of Federal Awards (SEFA).



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AMOUNTS AUTHORIZED TO BE RECEIVED BY SHERIFFS FOR BOARD OF PRISONERS

By authority of IC 36-8-10-7, I, Paul D. Joyce, CPA, State Examiner of the State Board of Accounts, do hereby fix the exact amount per meal which the sheriff of each county in the State of Indiana, shall be entitled to receive for feeding prisoners legally in his charge, including Federal prisoners, for a period of one year, beginning April 15, 2021. Amounts received by the sheriff from the Federal government for board and care of Federal prisoners shall be paid into the County General Fund.

In determining and fixing the amount per meal, the use of wholesome food in quantities and varieties necessary for the preservation of the health of the prisoners is contemplated. All expenses related to preparing and serving meals, except for the costs of food, shall be borne by the county.

The amounts fixed are for meals actually served such prisoners during each respective month. Not more than three meals at county expense are to be served to any one prisoner in any one day.

The term "month" shall mean a period of time beginning April 15, 2021 and thereafter ending on the fourteenth (14th) day of each succeeding month. Claims for meals for the month beginning December 15th will be paid from the appropriation for the succeeding year.

For number of meals served during a period of one month, per meal:

In counties having a population of less than 20,000	\$2.08
In counties having a population of 20,001 to 40,000	\$2.01
In counties having a population of 40,001 to 60,000	\$1.92
In counties having a population of 60,001 to 80,000	\$1.69
In counties having a population of 80,001 to 100,000	\$1.44
In counties having a population of 100,001 to 200,000	\$1.31
In counties having a population of 200,001 or over	\$1.23

The following counties will not be allowed the amounts authorized above:

- Allen
- Lake
- Marion
- Vanderburgh

Paul D. Joyce

Paul D. Joyce CPA
State Examiner

Dated this 15th day of March, 2021
RH