

THE COUNTY BULLETIN

And Uniform Compliance Guidelines

ISSUED BY STATE BOARD OF ACCOUNTS

Vol. No. 423

October 2020

SPECIAL EDITION

In October of 2020 instead of the traditional Auditors Conference we hosted a virtual event that included a live watch party and speakers. This special bulletin is the cumulative list of questions that were asked during this conference either from those virtual or in-person.

Question 1: What if you are not balanced with the Treasurer for months. Do we go ahead and send in what we have?

Answer 1: You need to upload what you have and maintain documentation that your office has tried completing your duties with no avail.

Question 2: Emergency Telephone and Statewide 911 should be reported together?

Answer 2: E911 fees paid by consumers are remitted to the Statewide 911 board. The fees collected are allocated to the counties to pay for the operating of their PSAP. Fund 1222 is the established fund to account for the E911 fees distributed to the county from the Statewide 911 board.

Question 3: If we have money in Fund 1115, it goes to County General? Do we need anyone to approve this transfer?

Answer 3: This is a correction of an error or the closure of a dormant fund. The County Council should be made aware of the closure of the fund to the General fund.

Question 4: So Emergency Telephone should be fund 1153? That revenue stream is a levy.

Answer 4: Fund 1153 no longer exists. There are no fees that the county collects directly for 911 fees. These are all collected at the State level. We don't know of any tax levy for the operation of a PSAP. If there is Local Income Tax for a PSAP that would be accounted for in Fund 1235. If your PSAP is being funded from Public Safety Local Income tax that would be accounted for in Fund 1170.

Question 5: Can you explain the appropriation may need to be moved with the expense regarding MVH, please?

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Answer 5: All disbursements from MVH require an appropriation. The approved budget for MVH should be allocated between MVH and MVH Restricted. Moving an expense from unrestricted MVH (1176) to restricted MVH (1173) would still require an appropriation within the MVH Restricted to post the expense, so if there is not an appropriation in restricted MVH the county would need either need to transfer it from unrestricted or ask for an additional.

Question 6: And the County Employee compensation for working elections must be included in the Salary Ordinance?

Answer 6: The compensation for election workers is established by the salary ordinance, or a Per Diem established by the Commissioners or Election Board depending on the statute. For a county employee that is working on election day, this is not part of their regular compensation on the salary ordinance. Their election wages are separately established as determine by statute.

Question 7: The same employee work as an absentee voter worker AND as a Canvass Clerical Assistant? Would this be a violation of Internal Control?

Answer 7: If the job requires both positions to be worked at the same time, one employee could not fulfill both positions. You should check with Election Division if there is statute that would prevent one person from filling both positions.

Question 8: Can we get that in writing, please? Lori's clarification explanation regarding employees not receiving compensation from three different sources and Clerks submitting a clear outline of the job duties that a Deputy Clerk will be performing on election day that will be over and above their regular job duties.

Answer 8: An employee can't be paid for working the same hour from separate jobs. For example, if a part time employee of the park department also has a job working part time for the highway department, each hour worked must be logged as to which job is being performed, park or highway. They can't be paid for both positions for the same hour worked. If the election day is a holiday for county employees, they can receive their holiday pay and work the election and receive election worker compensation as they are not working both jobs at the same time. If a Clerk Deputy is working the election day in his/her capacity as a Deputy Clerk, they can't also receive election pay for the same hours they receive their Deputy Clerk pay. If the Deputy Clerk is asked to do additional duties during the election that would warrant an increase in their Deputy Clerk compensation, that would have to be approved by the Council, and the salary ordinance would have to be modified. If the Deputy Clerk works their full day as a Deputy Clerk and then works election duties in their off time, the time spent on each job should be separately tracked. See County Bulletin Vol. 392, page 7 on Employee Employed in More Than One Position.

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Question 9: Are state and local income tax required to be withheld?

Answer 9: You would need to contact Department of Revenue with that question.

Question 10: The Treasurer will be working as an inspector on election day. Should her election day compensation be added to her payroll?

Answer 10: Because an employee of the county will receive more than \$600 in a year from the county, their election pay should be paid through payroll. The election hours are not part of their regular compensation and that compensation does not need to be on the salary ordinance for the Treasurer.

Question 11: Can a Clerk's Office Election Deputy receive a stipend (\$600.00) for being the Assistant to the Election Board once a year and claim comp time for performing these duties. We think this is wrong but would like clarification.

Answer 11: If they are being compensated for their work as Assistant to the Election Board, we are not sure how they would be eligible for comp time. What is the county policy on this?

Question 12: We submitted payroll reimbursement for our Sheriff's Department to the IFA to receive our full amount available for our County. We received the funds and put that into our Cares fund. The IFA has told us that we can continue to reimburse county departments that submit invoices that fall under the approved categories through the IFA Guidelines without the IFA approval. Our Finance Department is reimbursing these expenditures through journal entries. Can that still be done even though the request we submitted to the IFA to receive our full dollar amount was for payroll?

Answer 12: Once the county has requested reimbursement for the public safety / public health payroll costs and has received the reimbursement, it should be receipted into the county designated CARES Act fund. Once receipted in the fund the county has two options:

1. Move payroll disbursements from the original fund or funds to the county designated CARES Act fund, which would leave the fund with a zero balance.
or...
2. Commissioner pass an ordinance to do the alternative process. A claim would be written to move the entire reimbursement of public safety / public health payroll costs to the general fund, which would leave the fund with a zero balance. Once the money is in the general fund it would follow proper appropriation procedures and can be used like all other money in the general fund.

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Question 13: How do we figure all the benefits for payroll when requesting reimbursement?

Answer13: If gross payroll is not enough to be able to claim the rest of the county's allotted amount then the county would need to determine the benefits associated with the payrolls claims for public safety and public health.

Question 14: Do you have an example of the ordinance we could use for choosing the alternative method with public safety and public health payroll costs?

Answer14: Yes. Email counties@sboa.in.gov .

Question 15: Once it is in the general fund, does it require an additional appropriation to spend it or can it be spent through a joint commissioner/council ordinance?

Answer15: It needs an appropriation.

Question 16: We have received IFA funds for public service payroll. The money went into the CARES Fund 8900. We have an ordinance on what this re-imbursed money will be spent on. I was under the impression that we would pay for these items out of the 8900-fund unappropriated. Is this correct? We were told that whatever money is left can go to County General.

Answer 16: No money should be spent through the CARES Act (administered by IFA) fund designated by the county. If public safety and public health payroll costs were reimbursed than you need to follow one of two options on accounting for the money as described in the answer to question 12.

Question 17: During the conference, it was referenced MANY times that the expenditures MUST be from APPROPRIATED monies. In the memo dated 4/29/20, then updated 9/29/20 on the 3rd page it says that SBOA will NOT take audit exception to the expense being paid directly out of the COVID grant fund without appropriation or additional appropriation. We DID submit for AND received reimbursement for our payroll that took care of our full allotment, and we did a resolution to use the alternate option to write claim from COVID fund and receipt into General, we DO know that we need to appropriate the those funds into the General fund and we are doing that. So, Does the COVID fund appropriated? Also, we are a county that did NOT receive Provider funds. I read memos as our IFA CARES money was to use the Fund 8900, so that is the fund that all or our IFA ONLY Monies were accounted for in. All other types have their own grant fund in the 8901 series that was give, like SOS for Elections, Health for Testing Site, Judicial for IT work, etc. I 'assume' from all the discussion that I now need to create a different fund for our IFA monies and move EVERYTHING that I have done in Fund 8900, is this correct? Or is it possible for some kind of waiver or approval be obtained since we did NOT co-mingle any CARES-COVID receipts/disbursements inside of Fund 8900?

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- Answer 17:** As of October 23, 2020 the State Examiner issued Directive 2020-3 found here: <https://www.in.gov/sboa/files/Directive%202020-3%20Accounting%20for%20CARES%20Administered%20by%20IFA%2010.22.2020.pdf> which supersedes our other guidance. All claims paid must be from an appropriated fund and not the CARES Act (administered by IFA) fund designated by the county. If your county is using the 8900 fund to separately identify this grant than we will not take exception to the wrong fund number being used.
- Question 18:** If they have money left over in the grant fund, wouldn't it make sense to move to the general fund and use on future COVID expenditures?
- Answer 18:** There should not be money left in the grant fund. It is a reimbursement grant and money should have been spent according to what was claimed through IFA. If you requested a reimbursement for a vehicle than a vehicle should have been purchased.
- Question 19:** When I paid all the claims to me that were COVID, I paid them out of county general. Is that the correct way to do this?
- Answer 19:** If you paid your original claims for COVID expenses from county general fund, when those expenses were reimbursed, the reimbursements would have been posted to the COVID grant fund and the expenses moved from county general to the COVID fund.
- Question 20:** We set up a separate fund for this grant. However, the expenditures we have been using are numerous and vary. For example, office supplies, operating supplies, misc. Equipment. Then we used different location numbers so we would know what department it was for. We will be working on payroll reimbursements, but don't know how much it will be yet. Then we don't know how much will be left/available in the grant. With all this said, I'm not sure how to appropriate the grant fund, as far as how much money in each line items????
- Answer 20:** You don't need to appropriate the grant fund because you would be paying any additional costs from a county fund and when reimbursed, you would move the expense, and this would zero out the grant fund.
- Question 21:** I understand that if you do the Alternative method for payroll that it all goes to General Fund. However, I guess my question is if you wanted to claim some of the payroll for your Health Department (Levy Fund) for that is where their payroll comes from, it their a procedure to get that back to the Health fund? Also, if you have already made expenses for things such as supplies, etc. out of the General fund and other funds and you have yet to get it all submitted to IFA and now the Commissioners decide to do the Alternative method, I am assuming we would now need to go to the Council and ask for additional appropriation for all the other expenses and move them to General fund?

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Answer 21: You can claim public safety and public health payroll costs from other funds. To get the money back to those funds the county would then need to use option 1 as described in the answer to question 12.

If the commissioners decided to submit the public safety and public health payroll costs instead of using claims for supplies and have passed an ordinance to use the alternative method, once the reimbursement is moved to general fund through claim then normal appropriation procedures would apply.

Question 22: I thought we could ONLY spend outside of the CARES Grant fund PRIOR to when all the memos came out directing us to set up fund, etc.???

Answer 22: Prior to the memo's on accounting for the COVID grant funds, you would have paid all expenses from one or more of your County operating funds such as General, Rainy Day, Public Safety or Health. Once the Commissioners had signed the agreement for the CRF funds through IFA, you would have followed the memos to move expenses to the grant fund.

Question 23: Are Counties also including PERF, SS and FICA employer-paid taxes as well as for the public safety and health payroll expenses for reimbursement?

Answer 23: Gross payroll should be enough to claim the remaining funds allotted through IFA. Although if not than any other costs associated with the payrolls submitted could be claimed.

Question 24: Our county spent expenditures out of the General and CEDIT Funds and when the monies were being reimbursed by IFA, I was receipting those monies into the funds directly. If I understood the presentation correctly, I'm now to create IFA Fund (8900-8925) to quietus those reimbursements that came in and then do a receipt correction as well as an accounts payable correction to the applicable fund it was spent from?

Answer 24: Yes, a separate fund should have been created. You will need to make corrections so that the grant fund reflects the grant activity. The directive outlines this information.

Question 25: Paul Joyce alluded to maybe Commissioners approval of future appropriations. Is it just County Council approval of appropriations or both?

Answer 25: Appropriation procedures go through County Council.

Question 26: Even if we moved total remainder of CARES Act to General fund by ordinance, can't we also use this money out of County General for next year's budget also? Maybe even for budget year 2020 if needed?

Answer 26: Yes.

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Question 27: Should all grant funds be appropriated? Do you know of a reason that a grant fund only uses a 39000 account to pay everything?

Answer 27: All reimbursement grants should have an appropriation for all claims issued. Only advance grants do not require an appropriation. We do not know of a reason that a grant fund only uses a 39000 account to pay everything.

Question 28: Can the county be more restrictive than statute and require the TOD deed to come to the Auditor's office?

Answer 28: The county can't have a policy that changes state statute. If the information on the TOD needs to be seen in the Auditor's office, the county should establish procedures for coordinating this.

Question 29: If the Transfer on Death Deed does come to the Auditor can we charge the \$10 fee?

Answer 29: If you are providing an endorsement you could charge the fee, however the statute states that an endorsement by the Auditor is not required to record the TOD deed.

Question 30: What happens when you have a QCD TOD or WD TOD?

Answer 30: You should seek legal guidance from you County attorney on how the statute affects these types of TOD deeds.

Question 31: Can the TOD be combined w/a Quick Deed or Warranty deed; we have attorneys doing this? IE... adding Life Estate, remove a name, add a name etc.

Answer 31: You should see legal guidance from your county attorney on this question.

Question 32: Should there be an adjustment to the initial claim to prevent the overstatement of expenditures?

Answer 32: If you determine that an overpayment has occurred, you need to request a refund of the overpaid amount. You should document the original claim to show that a refund was received on the overpayment. The original amount disbursed should not be removed from the records as the claim was paid for that amount. The transaction should be documented by both the original payment made and the amount received as a refund.

Question 33: How often would the board be appointed. (Solid Waste?)

Answer 33: Per IC 13-21-3-7 the term of office on the board is 2 years.

Question 34: Did you say the Clerk submits the Court Budget?

Answer 34: IC 36-2-5-6 states that the Clerk of the court shall submit the budget estimate for each court.

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Question 35: Who submits the Prosecutor budget?

Answer 35: The Prosecuting Attorney would submit their budget

Question 36: If the Commissioners approve the Courts claims in a public meeting, do we need to advertise them?

Answer 36: The statute requires that Court Claims be advertised. IC 36-2-6-3 However, we have not taken audit exception of court claims are processed along with other county claims and not advertised.

Question 37: If the prosecutor is a court office, is their employees court employees or county employees?

Answer 37: No, the employees in the Prosecuting Attorney's office are not county employees but employees of the judicial district

Question 38: What if the judge sets up court services and includes probation office would they be court or county?

Answer 38: IC 36-2-16.5 indicates that probation officers are employed by the county, although there are minimum compensation levels required by the State.

Question 39: Is the Public Defender is a Court Office or County Office?

Answer 39: Public Defenders work for the State Public Defender or may be independent contractors with the courts.

Question 40: If the court gets a reimbursement grant do, they must get the appropriation?

Answer 40: Court Grants should be appropriated; however, the grant funds must be spent in compliance with the grant agreement.

Question 41: Prior to me coming into office, the reimbursement checks for damage have been receipted in for a reimbursement, it was then paid out of unappropriated. So today, you stated that we should increase the appropriation for the line it will be paid out of. With that being said, we should still receipt it onto the fund as a reimbursement them make an adjustment to put that into the appropriated line the repair will be paid out of. Correct? And keep all the documents for audit.

Answer 41: Yes, the insurance proceeds must be receipted into the fund (probably General, but maybe another fund). Then the appropriation for the payment of the claim to repair/replace the damage asset can be added to the line item to pay the claims as long as the asset is repair/replaced within 12 months.

Question 42: If they are not considered "county employees" do we have to offer them insurance or sick/personal/vacation? Also, does the County Council still have to approve their salaries?

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Answer 42: The county is still responsible to fund the court operations so benefits would still need to be paid for court employees as well. Paid time off would follow the county policy for county employees unless the court has a separate written personnel policy for paid time off.

Question 43: We have a new judge coming in 1/1/21. In budget hearings, Council reduced the wages the new judge wants to pay the employee that he is bringing with him. Am I correct in assuming, the new judge will be able to move money from a different line in his budget into that salary line item to pay his employee? I have no idea if he will, just want to be proactive in case he does.

Answer 43: The judge does have the authority to set the compensation of court employees, however, they would have to work within the approved budget or ask for additional compensation if the budget wasn't sufficient.

Question 44: The virtual audit has been very demanding and time consuming. The Field Examiners have sent us numerous emails requesting information. Before we can respond they have sent us more requests. What is our recourse when we cannot keep up with all their requests? Will we be written up due to the delays in responding?

Answer 44: Communication is key here. Reach out to the Lead Field Examiner and discuss timing and requests. We all understand that you have a job to do along with helping facilitate the audit. The file examiners will work with you. If you are communicating there should be no finding, but a lack of response could lead to a finding.

Question 45: Can anyone sign up to get emails for only elected officials

Answer 45: Anyone interested in receiving emails from the State Board of Accounts can subscribe through <https://www.in.gov/sboa/7130.htm>.