

Receipting and Disbursing

State Board of Accounts
Newly Elected Officer Training
Auditors and Treasurers
February 2021

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Segregation of Duties – Auditor and Treasurer

- Auditor
 - Authorizes Receipting and Disbursing
 - Quietus process
 - Claims Process
 - Maintains the official records – funds ledger
- Treasurer
 - Maintains Custody of the money in the treasury
 - Bank accounts
 - Investment Accounts
 - Reconciles to the Bank and investment statements



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Segregation of Duties

- Auditor
 - IC 36-2-9-12 – Auditor issues quietus
 - IC 36-2-9-12 – Auditor issues the warrants

- Treasurer
 - IC 36-2-10-9 – Treasurer takes custody of the collections
 - IC 36-2-10-11 – Treasurer pays the warrant if sufficient money is available



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Auditor Fees

- Copy Fees IC 5-14-3-8
- Endorsement Fee IC 36-2-9-18
- Sales Disclosure Fee IC 6-1.1-5.5-4
- Recording Fee for Tax Deed IC 6-1.1-25-20

- Posted to the Auditor's Fee Book and paid into the Treasury by the receipting process.



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Treasurer Collections

- Property Tax payments
- Excise taxes
- Special Assessments
- Sewer liens
- Innkeeper's Tax



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Receipting Process

- Step 1 - Auditor
- Auditor prepares a document that shows the date, funds credited, amount, person paying and source of payment.
- Departmental collections will be accompanied by a Report of Collections. The Auditor reviews the Report of Collections and prepares the document above based on that report.



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Receipting Process

- Step 2 – Treasurer
- Take the document obtained from the Auditor to the Treasurer
 - Payee taking a copy of the document prepared by the auditor
 - Electronic transfer of the information between the two offices
- Money is counted and the Treasurer issues a receipt to the person paying



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Receipting Process

- Step 3 – Auditor
- A copy of the Treasurer's receipt is returned to the Auditor by:
 - Taking the Treasurer's receipt to the Auditor
 - Electronic transfer of the receipt information between the two offices
- A quietus is issued by the Auditor to the person paying



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Results of the Receipting Process

- The Auditor has information to post the funds ledger and proof that the money is in the custody of the Treasurer
- The Treasurer has the information needed to post their copy of the funds ledger based on the amount of the quietus and the funds credited.
- The person paying has information on the amount posted to the funds ledger and a receipt to show the transfer of custody of the money to the Treasurer



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Disbursing Process

- Step 1 – Auditor audits claims and invoices.
- Step 2 – Governing Board approves the claims
- Step 3- Auditor prepares the warrant
- Step 4 - Treasurer determines that there is sufficient balance in the appropriate bank account to make the payment and authorizes payment.
- Step 5 – Auditor posts disbursement to fund



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Disbursement Process

- The county auditor does not have authority to issue a county warrant in payment of any obligation unless a valid claim or voucher has been filed and allowed in the manner provided by law.
- County Form 17 – Accounts Payable Voucher
- General Form 99 – Payroll Schedule and Voucher
- These claims will most often be initiated by other departments or offices but must be processed by the County Auditor before payment.



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Prescribed by State Board of Accounts

Town Form No. 39 (Rev. 1995)

ACCOUNTS PAYABLE VOUCHER

TOWN OF _____, INDIANA
 An invoice or bill to be properly itemized must show: kind of service, where performed, dates service rendered, by whom, rates per day, number of hours, rate per hour, number of units, price per unit, etc.

Payee _____ _____ _____	Purchase Order No. _____ Terms _____ Date Due _____
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Invoice Date	Invoice Number	Description (or note attached invoice(s) or bill(s))	Amount

SAMPLE

I hereby certify that the attached invoice(s), or bill(s), is (are) true and correct and that the materials or services itemized thereon for which charge is made were ordered and received except _____

 Signature Title

I hereby certify that the attached invoice(s), or bill(s), is (are) true and correct and I have audited same in accordance with IC 5-11-10-1.6.



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VOUCHER NO. _____ WARRANT NO. _____

\$ _____


ON ACCOUNT OF APPROPRIATION
FOR

COST DISTRIBUTION LEDGER CLASSIFICATION
IF CLAIM PAID MOTOR VEHICLE HIGHWAY FUND

Acct. No.	Account Title	Amount

ALLOWED _____
IN THE SUM OF \$ _____

Council Members



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Audit of Claims

- 1. Determine the claim or voucher is properly itemized and verified and properly supported by invoices or supporting documents.
- 2. Payroll claims must be paid in compliance with the salary and wages fixed by the County Council (or other board as applicable)
- 3. Determine the prices charged are in accordance with any contracts, if applicable and statutory authority exists for payment of the claim or contract.



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Audit of Claims

- 4. Verify the accuracy of the claim based on unit price and quantity received and that total is mathematically correct
- 5. Claim must be approved by the appropriate official or department head and must be approved by the appropriate governing board. (This is usually the Commissioners)
- 6. Determine that there is sufficient fund balance and sufficient appropriation from which to make the payment. Determine that claim has not already been paid.



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Disbursement Process

- Claims should state both the fund and the appropriation to be posted.
- Each department/office has a budget
- If the fund does not have sufficient appropriation or sufficient fund balance, the Auditor should reach out to the department/office to determine an alternative fund or appropriation line that could be used.



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Disbursing Process

- Treasurer must determine that there is sufficient funds available to pay each claim or series of claims.
- No checks should be issued or electronic payments authorized without the Treasurer determining that there are sufficient funds.
- Treasurers are not responsible for auditing the claims, only for determining if there is sufficient money to pay the claims.



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Posting Records

- Auditor posts to the Auditor's Fund ledger.
- Treasurer posts to the Treasurer's Fund Ledger-based on approved claims.
- Remember that monthly, these two ledgers must be reconciled.



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Summary

- Both Receipting and Disbursing require the cooperation of both the office of the Auditor and the office of the Treasurer
- Segregation of duties, established by statute for these offices, means that one person should not be able to complete either the entire receipting process or the entire disbursing process by themselves or from one office.



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Questions



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