



Paul D. Joyce, CPA
State Examiner

Township Bulletin

ISSUED BY THE STATE BOARD OF ACCOUNTS

September 2026

ITEMS TO REMEMBER

OCTOBER

- | | | |
|---------|-----|--|
| October | 1: | Prove all ledgers for the prior month |
| October | 12: | Columbus Day – Legal Holiday [IC 1-1-9-1] |
| October | 13: | Last day to post notice to taxpayers of proposed 2027 budgets and net tax levies and a public hearing (Budget Form 3) to Gateway. (Notice must be posted at least 10 days before the public hearing, which must occur at least 10 days before the adoption.) [IC 6-1.1-17-3] |
| October | 15: | Deadline to upload monthly bank reconcilements, bank statements, outstanding check lists, approved board minutes, and funds ledger, summarizing total receipts, disbursements, and balances by fund for August 2026 to Gateway. [State Examiner Directive 2018-1 {Amended April 2025}] |
| October | 20: | If your monthly average tax withheld is more than \$1,000, the 20th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue. |
| October | 23: | Last possible day for Townships to hold a public hearing on their 2027 budgets. Public hearing must be held at least 10 days before budget is adopted. [IC 6-1.1-17-5] |
| October | 30: | If your monthly average tax withheld is \$1,000 or less, the 30th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue. |
| October | 31: | All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. [IC 5-13-6-1(e)] |

ITEMS TO REMEMBER (Continued)

NOVEMBER

- November 1: Prove all ledgers for the prior month.
- November 2: IRS Form 941 (Employer's Quarterly Federal Tax Return) due. (Shifted from Oct 31 because it falls on a Saturday)
- November 2: Deadline for all Townships to adopt 2027 budgets, tax rates, and tax levies. [IC 6-1.1-17- 5(a)]
- November 3: General Election Day – Legal Holiday [IC 1-1-9-1]
- November 9: Last day for Townships to submit their 2027 budgets, tax rates, and tax levies to the DLGF through Gateway
- November 11: Veteran's Day – Legal Holiday [IC 1-1-9-1]
- November 15: Deadline to upload monthly bank reconcilements, bank statements, outstanding check lists, approved board minutes, and funds ledger, summarizing total receipts, disbursements, and balances by fund for September 2026 to Gateway. [State Examiner Directive 2018-1 (Amended April 2025)]
- November 20: If your monthly average tax withheld is more than \$1,000, the 20th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue.
- November 26: Thanksgiving Day – Legal Holiday [IC 1-1-9-1]
- November 30: If your monthly average tax withheld is \$1,000 or less, the 30th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue.

All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. [IC 5-13-6-1(e)]

DECEMBER

- December 1: Prove all ledgers for the prior month.
- On or before June 1 and December 1 of each year (or more frequently if the County Legislative Body adopts an ordinance requiring additional certifications) the Township shall certify a list of the names and addresses of each person who has money due from the Township to the County Treasurer. [IC 6-1.1-22-14]

ITEMS TO REMEMBER (Continued)

- December 15: Deadline to upload monthly bank reconcilements, bank statements, outstanding check lists, approved board minutes, and funds ledger, summarizing total receipts, disbursements, and balances by fund for October 2026 to Gateway. [State Examiner Directive 2018-1 (Amended April 2025)]
- December 25: Legal Holiday - Christmas Day. [IC 1-1-9-1]
- December 31: All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. [IC 5-13-6-1(e)]
- Last day for the Department of Local Government Finance to accept additional appropriation requests for the 2026 budget year from units. [IC 6-1.1-18-5]

CLOTHING AND AUTOMOBILE ALLOWANCES

IC 36-8-12-5 requires a unit served by a volunteer fire department (VFD) to pay directly each active and participating member of the department a clothing allowance and an automobile allowance, each in an amount not less than \$250. This may lead to situation in which a single firefighter receives more than one allow if the individual is an active and participating member of more than one VFD. This is true whether one township contracts with multiple VFDS, in which the firefighter is a active and participating member, or multiple townships contract with the same VFD, in which the firefighter is an active and participating member.

The State Board of Accounts (SBOA) expects additional legislative action next session to further clarify the intent of the statute. Therefore, SBOA will not take audit exception in a unity pays the required statutory allowances in a manner that results in a volunteer fire department member receiving allowance payments from multiple units of government or from only one unit of government.

RAINY DAY FUND

IC 36-1-8-5.1(c) states: "The rainy day fund (RDF) is subject to the same appropriation process as other funds that receive tax money." So, if the township has money in its RDF that the township wants to spend, the township must have appropriations approved by DLGF prior to expending the funds.

IC 36-1-8-5.1(g) states: "A county, city, or town may at any time, by ordinance or resolution, transfer to (1) its general fund; or (2) any other appropriated funds of the county, city, or town;

RAINY DAY FUND (CONTINUED)

money that has been deposited in the rainy day fund of the county, city, or town.” It is our position that since this statute specifically lists unit types, but omits Townships, RDF funds can NOT be transferred from the RDF once the money is receipted in the RDF.

IC 36-1-8-5.1 states in part: “A political subdivision may establish a rainy day fund by the adoption of: ... (2) a resolution...(b)...a resolution adopted under this section must specify the following: (1) purposes of the rainy day fund...” It is our position that the RDF can be used for any appropriate and legal expenditures of the Township as long as the disbursements follow the purposes of the fund as set out in the resolution that set up the RDF.

STATE MILEAGE REIMBURSEMENT RATE

IC 36-6-8-3(b) states: “The township executive is entitled to a sum for mileage in the performance of official duties equal to the sum per mile paid to state officers and employees. However, this subsection does not apply when the township executive uses a township vehicle in the performance of official duties.”

On August 6, 2027, the Department of Administration issued the following memo that changed the mileage reimbursement rate from \$.49 to \$.64 effective August 7, 2026.



STATE OF INDIANA

Governor Mike Braun

DEPARTMENT OF ADMINISTRATION Commissioner's Office

Indiana Government Center South
402 West Washington Street, Room W462
Indianapolis, IN 46204

Date: August 6, 2026

To: All State Institutions

From: Brandon Clifton, Commissioner, Indiana Department of Administration
Chad Ranney, Director, State Budget Agency

Subject: State Mileage Reimbursement Rate

Pursuant to Ind. Code 4-12-1-13 and Ind. Code 4-13-1-4, the Indiana Department of Administration and the State Budget Agency are charged with setting mileage reimbursement rates for the state.

Effective August 7, 2026, the personal vehicle mileage reimbursement rate for state employees will be \$0.64 per mile. This rate is calculated using an average of the PADD 2 Midwest state reimbursement rates; however, depending on market conditions, future adjustments may depart from this formula.

IDOA and SBA will review this rate annually in May of each year and may make ad hoc adjustments to the state mileage reimbursement rate as necessary.

Please direct questions to the Department of Administration Travel Services at idoatravel@idoa.in.gov or (317) 232-4258, or the appropriate Budget Analyst at (317) 232-5610.

If you have any questions, please contact IDOA Travel Management Office at (317) 232-4258.

BOARD APPROVAL OF SALARIES

IC 36-6-6-10(c) states: "The township legislative body shall fix the compensation of all officers and employees of the township." We recommend the township board fix the compensation of all officers and employees of the township in conjunction with the board approval of the Township budget. However, just approving the budget is NOT sufficient to fulfill this statute. The township board must fix the sales, wages, rates of pay, etc. of all officers and employees in a public meeting. State Board of Accounts has prescribed Township Form No. 17 Resolution Establishing Salaries of Township Officers and Employees for documenting the approval of salaries of all township officers and employees.

BOARD APPROVAL OF SALARIES (CONTINUED)

A couple of other statutes to keep in mind when completing this:

IC 3-6-6-10 states in part(d): "Subject to subsection (e), the township legislative body may reduce the salary of an elected or appointed official. However, except as provided in subsection (i), the official is entitled to a salary that is not less than the salary fixed for the first year of the term of office that immediately preceded the current term of office.

(e) Except as provided in subsection (i), the township legislative body may not alter the salaries of elected or appointed officers during the fiscal year for which they are fixed, but it may add or eliminate any other position and change the salary of any other employee, if the necessary funds and appropriations are available.

(f) If a change in the mileage allowance paid to state officers and employees is established by July 1 of any year, that change shall be included in the compensation fixed for the township executive and assessor under this section, to take effect January 1 of the next year. However, the township legislative body may by ordinance provide for the change in the sum per mile to take effect before January 1 of the next year.

(g) The township legislative body may not reduce the salary of the township executive without the consent of the township executive during the term of office of the township executive as set forth in IC 36-6-4-2.

(h) This subsection applies when a township executive dies or resigns from office. The person filling the vacancy of the township executive shall receive at least the same salary the previous township executive received for the remainder of the unexpired term of office of the township executive (as set forth in IC 36-6-4-2), unless the person consents to a reduction in salary.

(i) In a year in which there is not an election of members to the township legislative body, the township legislative body may vote to reduce the salaries of the members of the township legislative body by any amount."

FINANCIAL ASSISTANCE TO NON-GOVERNMENTAL ENTITIES

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

- 1) The Entity Annual Report (E-1) filing requirement established by IC 5-11-1-4 and the audit requirement established by IC 5-11-1-9;
- 2) The source(s) of the funding provided;

FINANCIAL ASSISTANCE TO NON-GOVERNMENTAL ENTITIES (CONTINUED)

- a) Local and/or state funds (in the case of subsidies, contributions, or general aid),
 - b) Federal grants passed through including the formal name of the program and CFDA number, or
 - c) Fee for service arrangements,
- 3)The State Board of Accounts may request documentation to support the categorization of the financial assistance,
- 4)The E-1 is not to be confused with the Secretary of State's Business Entity report, and
- 5)The entity may obtain additional information from the State Board of Accounts at notforprofit@sboa.in.gov.

The financial assistance provided is to be reported by the Township on the Annual Financial Report via Gateway.

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

Financial assistance to non-governmental entities is defined as payments received in the form of grants (whether from local, state, or federal sources), subsidies, contributions as permitted by statute, aid, or other agreements. For more information on what constitutes financial assistance, please refer to the State Board of Accounts' *Uniform Compliance Guidelines for Examinations of Entities Receiving Financial Assistance from Governmental Sources* found on the State Board of Accounts' website at www.in.gov/sboa under Private Examiner Audits/Non-Governmental Entities Receiving Governmental Assistance/Uniform Compliance Guidelines.

FINANCIAL ASSISTANCE TO NON-GOVERNMENTAL ENTITIES (CONTINUED)

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

TOWNSHIP FIREFIGHTING AND EMERGENCY SERVICES FUND – FEES AND SERVICE CHARGES

IC 36-8-13-4(e) requires all money received for a fee or service charge imposed by the township legislative body to be deposited in the township's firefighting and emergency services fund. IC 36-8-13-4.5(d) allows the township trustee to accept donations for the purpose of firefighting and emergency services and requires these donations to be receipted into the township firefighting and emergency services fund.

It is our audit position that all payments received on behalf of other governmental units for which the township provides fire protection services would be considered a fee-for-service arrangement and is required to be receipted into the township firefighting fund.

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