ITEMS TO REMEMBER

DECEMBER

December 1: 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]

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)]

JANUARY

January 1: Legal Holiday - New Year’s Day. [IC 1-1-9-1]

January 1: Set up the Financial and Appropriation Record for the year 2017, by bringing forward the fund (cash) balances at the close of the year 2016 and entering appropriations as finally adopted and approved.

January 3: Annual meeting of township board to organize by electing one member as chairman and one member as secretary for the year. (First Tuesday after first Monday in January.) [IC 36-6-6-7]

January 15: Assessment date for mobile homes defined in IC 6-1.1-7-1. [IC 6-1.1-1-2]

January 15: Last day to make pension report and payment for fourth calendar quarter by townships participating in PERF.

January 16: Legal Holiday - Martin Luther King, Jr.’s Birthday. [IC 1-1-9-2]

January 2-31: Members of the township board are to meet to organize as a township board of finance by electing one member as president and one member as secretary, each for a period of one year. During the annual meeting the investment officer shall make a written report to the investing officer’s local board of finance summarizing the township’s investments during the previous calendar year. The report must contain the name of each financial institution, government agency or instrumentality, or other person with whom the township invested money during the previous calendar year. The local board of finance shall do the following at the meeting:

(1) Review the report.

(2) Review the overall investment policy of the political subdivision. (After the first Monday and on or before the last day of January.) [IC 5-13-7-6, IC 5-13-7-7]
ITEMS TO REMEMBER (Continued)

January 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)]

January 31: Last day to provide each employee with a W-2.

January 31: Last day to file quarterly 941 report for last quarter of 2016 with Internal Revenue Service.

January 31: Last day to file The Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R), with the State Board of Accounts, in Gateway. Navigate to https://gateway.ifionline.org to file the 100-R. Be sure to indicate the name and business address of the township and the name of the county on the form. [IC 5-11-13-1]

January 31: Last day to make report for last quarter of 2016 to the Department of Workforce Development.

FEBRUARY

February 12: Legal Holiday – Lincoln’s Birthday. [IC 1-1-9-1]

February 20: Legal Holiday – Washington’s Birthday. [IC 1-1-9-1]

February 21: Last day for the annual meeting of the township board for the purpose of receiving, auditing and approving the Annual Report, (On or before the third Tuesday after the first Monday in February.) [IC 36-6-6-9]

February 28: 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)]

February 28: Last day to file withholding statement together with Yearly Reconciliation of Employer’s Quarterly Tax Returns with Social Security Administration and Indiana Department of Revenue, respectively.

MARCH

March 1: Last day to file 2016 Annual Financial Report (AFR), in Gateway, with the State Board of Accounts. Navigate to https://gateway.ifionline.org to file the AFR. [IC 5-11-1-4]

March 3: Last day for trustee to file the copy of the Annual Report, as approved by the township board, together with the 2016 vouchers, in the office of the county auditor (ten (10) days after the meeting of the township board on February 21). [IC 36-6-4-12]
ITEMS TO REMEMBER
(Continued)

March 21: Last day to publish the abstract of receipts and expenditures required by IC 36-6-4-13. In addition to the abstract, the publishing must state that a complete and detailed annual report and the accompanying vouchers showing the names of persons paid money by the Township have been filed with the County Auditor, and that the Chairman of the Township board has a copy of the report that is available for inspection by any taxpayer of the Township.

STATE BOARD OF ACCOUNTS CALLED MEETINGS

The SBOA has called meetings of all Township Trustees in accordance with IC 5-11-14-1. These Meetings will be held on the following dates and locations.

- Columbus Learning Center January 25, 2017
  4555 Central Avenue
  Columbus, IN 47203
  - Please park in front of the learning center and in any lots around Ivy Tech.

- Shircliff Theater January 26, 2017
  130 E. Harrison Street
  Vincennes, IN 47591

- Lafayette Ivy Tech January 30, 2017
  3101 S. Creasy Lane
  Lafayette, IN 47905

- Fort Wayne Ivy Tech January 31, 2017 - Auditorium
  7602 Patriot Crossing
  Fort Wayne, IN 46816

  The meetings will begin at 9:00 am EST with registration beginning at 8:00 am. No preregistration is required or available.

  Many items pertaining to our examinations of Townships will be discussed at the meeting. In addition, there will be a special group of SBOA field examiners that will be available to answer questions about submitting the Annual Financial Report (AFR) and assist in fixing in-depth problems, such as reconciling, etc... So feel free to come with questions and bring records that you are having trouble with. Please have your AFR complete or as finished as possible before asking AFR related questions.

DESIGNATION OF TRUSTEE

We have received inquiries concerning designating an acting Trustee under certain circumstances.

The State Board of Accounts is of the audit position that IC 36-6-4-18 provides "(a) Within thirty (30) days after taking office, the executive shall designate a person who shall perform the executive's duties whenever the executive is incapable of performing the executive's functions because the executive: (1) is absent from the township; or (2) becomes incapacitated. The executive shall give notice of the designation to the chairman of the township legislative body, the county sheriff, and any other persons that the executive chooses. The designee shall have all the powers of the executive. The executive is responsible for all acts of
DESIGNATION OF TRUSTEE
(Continued)

the designee. The executive may change the designee under this section at any time."

"(b) The designee shall perform the executive’s duties until: (1) the executive is no longer absent from
the township; or (2) an acting executive is appointed by the county executive under section 16 of this chapter."

We have not received any Official Opinions of the Attorney General of the State of Indiana which
would indicate that a trustee could appoint a current township board member to serve as acting trustee in a
township. Potential constitutional conflicts could exist concerning the holding of two (2) lucrative offices. However, Official Opinion Number 87-22 issued November 18, 1987 of the Attorney General of the State of Indiana
discussed the possibility of designating another trustee and provides: "It is, therefore, my Official Opinion that
a township trustee may appoint or designate pursuant to Public Law 105-1986 (HEA 1374), a township trustee
of another township to act for him while he is absent from the township or while he is incapacitated. However,
if any compensation is paid to the designee for the performance of the duties of the appointing township
trustee, there may be a violation of Article 2, § 9 of the Constitution of Indiana." Therefore, we are of the audit
position townships should consider appointing someone who is a resident of the township and not currently holding
another lucrative office. Examples might be the previous township trustee, previous board members, or a cur-
crent clerk in the office. Finally, we are of the audit position that we are not aware of any provision for payment
of compensation to an individual designated in accordance with IC 36-6-4-18.

TOWNSHIP BOARD OF FINANCE AND DEPOSITORIES

The township board of finance is composed of the township board. [IC 5-13-7-5]

IC 5-13-7-6 requires that the members of board of finance shall, annually, after the first Monday and
on or before the last day of January, meet and elect a president and secretary from their membership.

Please see Chapter 18 of the Accounting and Uniform Compliance Guidelines Manual for Townships
for more information on Depositories and Deposits of public funds.

UNIFORM GUIDANCE 2 CFR PART 200

The Uniform Guidance (combined parts previously referred to as A-87 and A-133) provides that audits
which include federal funds under certain requirements be performed under the guidelines provided by the
Office of Management and Budget (OMB) 2 CFR Part 200. Grants currently being issued are included.
Requirements exist for the recipients of federal awards. Each recipient of federal awards will be required to
identify all federal awards received and expended and the federal programs under which they are received.
The federal program and award identification shall include, as applicable, the CFDA title and number, award
number and year, the name of the federal agency, and name of the pass-through agency. These
requirements are in part designed to make each recipient of federal awards more aware of the federal
programs received and disbursed.

Situations have occurred in some audits where auditors have been known to spend significant
amounts of audit time sorting through accounting records and federal files in order to obtain the required infor-
mation concerning federal awards. The new requirements place the responsibility upon the recipient to pro-
vide that information upon request. The requirements also apply to pass-through recipients of federal awards.
Therefore, townships that receive federal awards passed through state agencies or other pass-through entities
will also be required to provide appropriate CFDA titles and numbers, award numbers, and name of the federal
agency providing the award. Townships which then in turn pass-through federal awards to subrecipients will
also be required to provide the information to each subrecipient.
BUILDING OR REMODELING AND FIRE EQUIPMENT FUND
(CUMULATIVE FIRE)

IC 36-8-14 authorizes townships to provide a cumulative fire fund for the purchase, construction, renovation, or addition to buildings or purchase of land used by the fire department or the volunteer fire department serving the unit and for the purchase of firefighting equipment, for use of the fire department or the volunteer fire department serving the unit including making the required payments under a lease rental with option to purchase agreement made to acquire the equipment. The fund may also be used for the purchase, construction, renovation or addition to a building or the purchase of land or purchase of equipment for use of a provider of emergency medical services under IC 16-31-5 to the township establishing the fund.

IC 36-8-14 limits the tax levy to no more than three and thirty – three hundredths cents ($0.0333) on each one hundred dollars ($100) of assessed valuation in the taxing district. Any tax collected after establishing the tax levy shall be deposited in a special fund to be known as the “Building or remodeling and fire equipment fund.” Expenditures may be made only after an appropriation has been made available.

Any questions regarding procedures to establish the fund should be directed to the Department of Local Government Finance, Indiana Government Center North, Room N-1058B, 100 N. Senate, Indianapolis, IN 46204.

FEDERAL TAX DEPOSITS - ELECTRONIC FUNDS TRANSFER

Please contact the Internal Revenue Service (IRS) at 1-800-829-1040 if you have questions concerning electronic funds transfer of federal tax deposits which originally became effective for some townships on January 1, 1997.

DATA PROCESSING SERVICES BY A BANK

The Indiana Attorney General, in Official Opinion No. 46 of 1966, included the following provisions and conclusions in response to an inquiry concerning a contract between a county hospital and the data processing center of a bank (other than its duly designated depository) for the preparation and use of the bank’s official checks for payroll purposes:

1. Contracts entered into must be in writing. Further, it becomes difficult to conceive how the State Board of Accounts could properly consider and approve accounting systems and procedures established by an oral contract.

2. Accounting forms and procedures established in contracts entered into between banks and local Officials must be approved by the State Board of Accounts by using the new form approval process notes in the March 2014 bulletin (http://in.gov/sboa/files/scb2014_205.pdf).

3. Contracts of the nature pursuant to the Opinion need not be bid.

4. Officials and board members are required to be made parties to the contract.

5. The local officials and their sureties are liable for misfeasance by the bank or its employees in handling the accounts. The bank constitutes an agent for the official. The official cannot delegate responsibility when he delegates duties.

6. A bank or trust company is not required to be a depository selected under the Public Depository Act for the officers for whom it is acting.
DATA PROCESSING SERVICES BY A BANK
(Continued)

7. In substance, the bank is acting as a local official in performing his duties. Its work belongs to the public. The checks issued by the bank, signed by it, and drawn on its funds belong to the public and the original must be turned over to the local official in his official capacity. (However, please see below.)

All canceled checks must be returned by the bank to the township. IC 5-15-6-3 states in part “... 'original records' includes the optical image of a check ...” The State Board of Accounts is of the audit position both sides of a check are part of the original record. Therefore, both sides of an “optical imaged check” should be available for public inspection and audit. Encoding, printing or bank certification should exist to ascertain that the back side of a check is part of a particular check, ie, endorsements belong to the front side of a check presented.

The contract may provide that the township shall draw a check or checks to the contracting bank and the bank in turn will write checks on its own funds for and on behalf of the township. The funds to pay any checks outstanding and not cashed for a period of time may remain with the funds of the bank until such time as they are to be returned to the township.

On a few occasions we have found that a township has entered into an agreement with data processing centers other than the data processing center of a bank. If such an agreement is for writing checks, such checks must be on township forms, for the signature of the township and drawn on the bank account of the township.

LOANS AND OTHER INDEBTEDNESS

We have been informed of situations of some townships borrowing money (bonds), the funds being retained at the bank and the bank making all disbursements based on requests from various sources (generally those associated with the debt issuance or a volunteer fire department.) The township has no documentation other than the bank statements which only show the transactions as debits.

The State Board of Accounts is of the audit position a governmental unit may not incur indebtedness unless specifically allowed by statute.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee.

WORKER’S COMPENSATION

We have received questions recently regarding Township’s requirements as they pertain to worker’s compensation. These questions should be directed to the Worker’s Compensation Board (WCB) (http://www.in.gov/wcb/). You can also refer to Indiana Code 22-3-2 for more information about worker’s compensation.
HOW TO AVOID RANSOMWARE

A local governmental entity recently became a victim to ransomware. Ransomware is a type of malicious software designed to block access to a computer system until a sum of money is paid. The principle of ransomware is that the malware encrypts files on a system’s hard drive using an unbreakable key, and this is decrypted by the attacker once a ransom is paid. Beware of unexpected or suspicious emails, especially those containing a link or requesting a reply. Most ransomware is delivered via email and the typical overall themes are shipping notices from delivery companies. Also, many attacks are delivered by mass random emails because the intention is to infect as many as possible to maximize the chances of getting a result.

Consider your unit’s policies related to the protection of computer information. The most common advice to recover from an attack by ransomware relies largely on whether a good backup policy is employed. Backup expectations are discussed in Chapter 14 of the Accounting and Uniform Compliance Guidelines Manual for Townships. Governmental entities also should keep their anti-virus software up-to-date and apply security patches in a timely manner.
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