BACK TO BASICS

County Recorders Conference
April 2014

Government Accounting

• Funds
  – Fund Types
  – Fund Classifications
  – Revenue Accounts
Fund Types

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Projects Funds
- Internal Service Funds
- Enterprise Funds
- Trust Funds
  - Pension Trusts
  - Private Purpose Trusts
  - Investment Trusts
- Agency Funds

Fund Classifications

- General Government
- Public Safety
- Highways and Streets
- Sanitation
- Economic Development
- Health and Welfare
- Culture and Recreation
Revenue Accounts

- Taxes
- Special Assessments
- Licenses and Permits
- Intergovernmental
- Charges for Services
- Fines and Forfeitures
- Other

Expenses

- Classified by Major Budget Classification
  - Personal Services
  - Supplies
  - Other Services and Charges
  - Capital Outlay
- True even if appropriation is not required
- Exceptions for:
  - Internal Service Funds
  - Enterprise Funds
  - Trust Funds
  - Agency Funds
Budgets

• Budget vs. Cash
• Cash = $$$
• Budget = Appropriation
• Major Budget Classifications
  – Personal Services
  – Supplies
  – Other Services and Charges
  – Capital Outlay

Basic Fund Accounting Rule

GENERAL RULE:
No permanent transfers of cash between funds

Two Exceptions by County Ordinance
1. Rainy Day Fund
2. County Economic Development Income Tax
Appropriation Transfers

• Within the same departmental budget
  – Same major budget classification
    • Auditor or Council per county policy
  – Between major budget classification
    • Council approval
• Across departmental budgets
  – Council reduces appropriation
  – Council adopts additional appropriation
    – Requires State (DLGF) approval

Accounting For Funds

• Essential to provide public accountability and transparency

• Cash Change Funds
• Petty Cash Funds
• Recording Fees
Cash Change Funds

- IC 36-1-8-2
- County Council allows & determines amount
- County Auditor draws warrant to custodian of the fund
- **Safeguard**
- **Reconcile**
- Whenever there is a change in custodian of the cash change fund the entire fund must be returned

Petty Cash Fund

- IC 36-1-8-3
- Council authorizes & establishes amount
- Auditor warrant issued w/o appropriation
- **Safeguard**
- **Reconcile**
- Reimburse through claims process
- Custodian must return entire fund before leaving office
Recorder’s Records and Forms

• Computerized or Manual
  – Receipt / Instrument Number stamp
  – Fee and Cash Book
  – UCC Journal of Cash Receipts
  – Report of Collections
  – Record of Instruments Copied or Proofed
  – Check

Fees

• IC 36-2-7-10
• IC 36-2-7-10.1
• IC 5-14-3-8

• Collect the fees as authorized by statute only
• Strive for consistency
Forms of Payment Accepted

- IC 36-1-8-11
- County Council designates
  - Cash
  - Check
  - Bank Draft
  - Money Order
  - Bank Card or Credit Card
  - Electronic Funds Transfer (EFT)
  - Any other financial instrument authorized by the county council

Repositories

- State Approved Repositories – [www.IN.gov/tos](http://www.IN.gov/tos)
- County Board of Finance designated
Daily Deposits

• IC 5-13-6-1
• Within the next business day of the financial institution
• Deposit Intact
• Public Deposit Insurance Fund (PDIF)

Interest and Service Charges

• IC 5-13-9-6
• Interest may be earned
• Deposit to County General Fund (monthly)
• Do not net interest and service charges
• Service charges require a proper appropriation
## Optical Images

- IC 5-15-6-3
- Correctly, accurately, and permanently copies, reproduces on film or other durable material.
- Front and back
- An optical image from the bank is the original record

## Reconcilement

- Error Correction
- Internal Control
  - Fraud Prevention
  - Fraud Detection
Remittance to County Auditor

- Remittance should be timely
  - Monthly
  - Preferably after reconcilement
  - 10 days after month end

Bad Checks

- IC 36-1-8-13 Refer to Prosecutor – 90 days
- Try to collect
  - Establish policy
  - Document efforts
- Carry as reconciling item on reconcilement
- Write Off by submitting claim to county auditor
- Consider office policy for those that write bad checks, money orders, etc...
**Budgets**

- Annually prepare a budget
- County auditor will supply forms
- County council makes final decisions
  - Number of deputies and employees
  - Compensation of each
  - Budget appropriation amounts

**Encumbrances**

- Encumbrance is a carry forward of a budget appropriation into the next budget year
- Allowed when:
  - Contract
  - Grant Agreement
  - Purchase Order
Purchasing

- IC 5-22
- Commissioners are purchasing agency for County
  - Name purchasing agents
  - Contracting body
  - Small purchase policy
  - Service contract policy
  - Special purchasing methods

Claims

- Fully itemized invoice or receipt
- Approved by official that received goods or service
- Proper appropriation if not from RPF
- Approved or denied by Commissioners

- Work with the county auditor’s office
Funds You Can Spend From

- County General Fund (Recorder’s Budget)
- Recorder’s Record Perpetuation Fund (RPF)  
  IC 36-2-7-10
- Identification Security Protection Fund  
  IC 36-2-7.5
- County Elected Officials Training Fund  
  IC 36-2-7-19

Identification Security Protection Fund

- Fund 1160
- Requires appropriation by the county council

- A county recorder may use money in the fund only to purchase, upgrade, implement, or maintain redacting technology used in the office of the county recorder.
County Elected Officials Training Fund

- Fund 1217
- Requires Appropriation
- Used solely to provide training of county elected officials required by:
  - IC 36-2-9-2.5
  - IC 36-2-10-2.5
  - IC 36-2-12-2.5
  - IC 36-2-9.5-2.5
  - IC 36-2-11-2.5
  - IC 33-32-2-9

Employee Service Records

- Required for each employee
- Each office or county auditor may maintain
- Must be posted in compliance with the county personnel policies for leave accruals, uses, and balance carry forward
Disposal of Property

• Surplus property must be reported to the Commissioners

• Commissioners determine
  – To use elsewhere in the county
  – Dispose of property under IC 5-22-22

Errors

• Error correction is allowable and necessary

• Retain documentation and make notes

• Do not white out or back date postings