

THE COUNTY BULLETIN

And Uniform Compliance Guidelines

ISSUED BY STATE BOARD OF ACCOUNTS

Vol. No. 393

October 2014

REMINDER OF ORDER OF BUSINESS

October

- 14 Columbus Day - Legal Holiday (IC 1-1-9-1)
 - 20 Last day to report and make payment of State Income Tax withheld in September to Indiana Department of Revenue.
 - 22, 23, 24 County Auditor's Fall Conference – Indianapolis, Indiana
 - 31 Last day to file quarterly unemployment compensation report with the Indiana Department of Workforce Development.
- Last day to report and make payment of balance of Federal Income Tax withheld in the third quarter to Internal Revenue Service.

November

- 1 Last day for county auditor to certify to the division of state court administration the amount, if any, the county will be providing to supplement the judges salary during the ensuing calendar year. (IC 33-38-5-6(b))
- 2 Last date for County Board of Tax Adjustment [except Marion County and in a county containing a second class city (December 1)] to complete its duties. (IC 6-1.1-17-9(a))
- 4 Election Day – Legal Holiday (IC 1-1-9-1)
- 10 Last day for paying second installment of taxes without penalty. Start preparing for settlement of second installment tax collections. (IC 6-1.1-37-10)
- 11 Veterans' Day - Legal Holiday. (IC 1-1-9-1)
- 20 Last day to report and make payment of State Income Tax withheld in October to Indiana Department of Revenue.
- 27 Thanksgiving Day - Legal Holiday. (IC 1-1-9-1)

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REMINDER OF ORDER OF BUSINESS
(Continued)

December

- 1 On or before this date, certify names and addresses of persons who have money due to them for salaries, wages or other reasons to County Treasurer, for determining if such persons owe delinquent taxes. (IC 6-1.1-22-14)

Last date for County Board of Tax Adjustment in Marion County and in a county containing a second class city to complete its duties. (IC 6-1.1-17-9(a))

- 9, 10 Newly Elected Clerks and Recorders Training – Indianapolis, Indiana

- 16, 17 Newly Elected Auditor's and Treasurers Training – Indianapolis, Indiana

- 20 Last day to report and make payment of State Income Tax withheld in November to Indiana Department of Revenue.

- 25 MERRY CHRISTMAS!! Legal Holiday (IC 1-1-9-1)

- 31 Review year-end duties.

Post and close all records completely and promptly.

The Auditor should balance with the Treasurer and verify the amount of cash in the Treasurer's office.

INSPECTOR OF WEIGHTS AND MEASURERS – COMPENSATION – TRAVELING EXPENSE

IC 24-6-3-3 requires that the board of commissioners of every county of 30,000 population or more shall, and the board of county commissioners of any county of less than 30,000 population may appoint a county inspector of weights and measures. No person shall be appointed unless approved by the Indiana Division of Weights and Measures. There is a provision in this law which reads, "Provided, however, that it shall not be obligatory upon the board of county commissioners of such counties containing a city or cities which are already provided with an inspector of weights and measures or city sealers, to make such appointments." The compensation of the inspector of weights and measures is fixed by ordinance of the Board of the county commissioners. It is required that the board provides the necessary apparatus and supplies for the inspector and that the county council appropriate necessary sums of money for the salary and maintenance of the office. There should be a clearly defined procedure adopted by the governing body of the unit concerning placement, maintenance, and commissions of vending machines on their property.

COUNTY CORONER – AUTOPSIES

A county coroner cannot receive compensation for performing autopsies.

IC 36-2-14-6 states in part: "...If the coroner considers it necessary to have an autopsy performed, is required to perform an autopsy under subsection (f), or is requested by the prosecuting attorney of the county to perform an autopsy, the coroner shall employ a:

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COUNTY CORONER – AUTOPSIES (Continued)

- (1) Physician certified by the American Board of Pathology; or
- (2) Pathology Resident acting under the direction of a physician certified by the American Board of Pathology;

to perform the autopsy. The physician performing the autopsy shall be paid a fee of at least fifty dollars (\$50.) from the county treasury...”

COUNTY BORROWING SCHOOL FUNDS

IC 20-42-2-11 and 20-42-2-12 contain authority for counties to borrow from the Congressional School Fund. Any such loans must be authorized by an ordinance of the county council.

OTHER MEANS OF BORROWING

Some of the statutes which authorize other means of borrowing are:

IC 36-2-6-18 through 36-2-6-20	Temporary Loans, Bonds and Tax Anticipation Warrants
IC 5-19-1.5	Grant Anticipation Notes
IC 36-1-8-4	Temporary Loans Between Funds

COUNTY HOME – Superintendent's Report

The superintendent of the county home should file a monthly report with the county auditor for the attention of the board of county commissioners. This report should account for all receipts of cash items in the calendar month and should show the payment of same to the county treasury. The prescribed form, Combined Report – County Form No. 77 (1947) requires that the report of residents be made for a period ending on the last day of the last full week in each month. The next report should begin with the day following the ending day of the former report, not by the beginning and ending days of the month.

COUNTY HOME – Maintenance Ledger

The auditor is required to keep a maintenance ledger sheet for each person admitted to the home.

COUNTY HOME – Charges (IC 12-30-4)

The board of county commissioners shall, at their July meeting of each year, fix an amount to be charged for the care and maintenance per person in the county home, such charge to cover the total amount for board, room, medical and nursing care, maintenance, clothing and all other items furnished within the county home, which items shall be available to all residents and patients on the same basis (IC 12-30-4-8). In those cases where facilities are available, the board of county commissioners shall have authority to accept persons in need of care and able to pay all or part of the costs of care on a voluntary basis.

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COUNTY HOME – Charges (IC 12-30-4) (Continued)

The board of county commissioners shall "periodically" determine the reasonable cost of such service and fix charges for each voluntary resident on the basis of cost of care and the ability of the voluntary resident to pay (IC 12-30-4-9). Each township trustee in the county shall pay to the county the amount so fixed for each person admitted to the county home or other charitable institution from his township, except those otherwise able to pay the cost of their care from their own resources or other assistance awards. The amount of such charge to the township shall not exceed \$100 per month, per person. Except in Lake County where the amount charged the township per individual may not exceed forty-eight dollars (\$48) per month or twelve dollars (\$12) per week. Each township trustee shall levy a tax sufficient to meet said expenses. Payment and settlement shall be made in July and December of each year for the preceding year. (IC 12-30-4-11)

If an individual who:

- (1) is being supported at public expense in a county home; or
- (2) has died while a resident of a county home;

is found to have an estate of any kind that is not needed for the support, in whole or in part, of the husband, wife, children, parents, grandparents, grandchildren, brothers, or sisters of the individual, the amount of expense incurred by the county for the treatment and maintenance of the individual shall be charged against the individual's estate, both during the individual's lifetime and after the individual's death. (IC 12-30-5-1)

SALARY OF COUNTY SURVEYOR

The county council is required under the provisions of IC 36-2-12-15 to fix the compensation of the county surveyor both as if he is registered under IC 25-31 and as if he is not registered under IC 25-31. If the county surveyor is registered under IC 25-31 the compensation shall be one and one-half times the compensation of a surveyor who is not registered. For example, if the surveyor is fixed at \$4,000 then the compensation for a registered surveyor should be fixed at one and one-half times \$4,000 or \$6,000.

In addition to the compensation fixed in the above paragraph the county surveyor is entitled, with the approval of the board of county commissioners to:

If registered:

1. \$4 per mile for each mile of active regulated drains in the county which are described and certified.
2. \$4 for each corner reference required to be established and perpetuated by IC 36-2-12-11.

If not registered:

1. \$2 per mile for each mile of active regulated drains in the county which are described and certified.
2. \$2 for each corner reference required to be established and perpetuated by IC 36-2-12-11.

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AGRICULTURAL ASSOCIATIONS AND SOCIETIES (FAIRS) – GRANTS FROM COUNTY

The board of county commissioners may make an allowance from the general fund to any 4-H Club Association having for its purpose the promotion of agriculture or horticultural interests of the county. A petition signed by thirty or more resident freeholders is required and same petition, without the signatures, must be published in a newspaper of general circulation. If a petition in remonstrance be signed by more resident freeholders than the petition for such grant, the board of county commissioners shall dismiss the first petition and take no further action. Any such petition, after final acceptance, shall be effective for one or more years, not to exceed five years, such time to be determined by the board of county commissioners. (IC 15-14-7-3)

The board of county commissioners may levy an annual tax of not to exceed \$0.0333 on each \$100 valuation for construction, operation or maintenance of any building owned or operated by such association, only until the building has been constructed, and in no event for a period more than five years.

After a building has been constructed the county council may levy an annual tax of not to exceed \$0.0067 on each \$100 valuation for operating and maintaining such building. (IC 15-14-7-4)

The county councils and boards of county commissioners may appropriate and pay to any agricultural fair or association or 4-H club, a sum not exceeding four cents (\$0.04) on each \$100 valuation, from the general fund for necessary costs and expenses, premiums, and judging. This appropriation cannot include purses for speed contests and cannot be extended to any association conducting fair for gain, not to street fairs or exhibitions. (IC 15-14-9-2)

PREMIUM AND ACCRUED INTEREST ON BONDS ISSUED AND SOLD

IC 5-1-12-2 requires that:

"Whenever any bonds are sold by any municipal corporation and when the successful bidder agrees to pay and does pay any premium as a part of the bid price of such bonds, any and all premiums so received shall be paid into and shall constitute a part of the fund which is created to retire such bonds and to pay the interest thereon"

In the sale of bonds "accrued interest" is the interest on the obligations from the date of the bonds to date of their delivery to the purchaser. Interest coupons attached to bonds are for exact sums of money which the issuing authority is required to pay, but between the date of bonds and date of delivery and receiving payment of the bid price, no interest is actually earned. The so-called accrued interest is simply a reimbursement to the municipal corporation for the unearned part of the interest the municipal corporation will be required to pay pursuant its interest coupons.

Accrued interest also must be receipted to the bond fund so that same may be used in retiring the bonds and interest. Only the principal sum of the bonds can be placed in the fund to carry out the project for which the bonds were issued.

BRIDGES

Plans and specifications for the construction of bridges are not required to be approved by the state highway commission unless Federal funds, disbursed by the state highway commission, are used in the construction of the bridge. The highway commission will render assistance to the county highway department when such assistance is requested, whether or not Federal funds are used.

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BRIDGES (Continued)

Construction of bridges may be financed in four manners, funds arising from a separate source for each:

1. County General Fund – IC 8-16-5-3; 36-2-5-7
2. Cumulative Bridge Fund – IC 8-16-3-1
3. Major Bridge Fund – IC 8-16-3.1
4. County Cumulative Capital Development Fund – IC 36-9-14.5

APPROPRIATION FOR CONSTRUCTION OR REPAIR OF BRIDGES

The budgetary laws specifically (IC 36-2-5-7) states in part:

"...the county executive shall prepare an itemized estimate of all money drawn by the members of the executive and all expenditures to be made by the executive or under its orders during the next calendar year. Each executive's budget estimate must include:...(2) the expense of constructing and repairing bridges, itemized by the location of and amount for each bridge;..."

Cumulative Bridge Fund

IC 8-16-3-3(e) states: "An appropriation from the bridge fund may be made without the approval of the department of local government finance if:

- (1) the county executive requests the appropriation; and
- (2) the appropriation is for the purpose of constructing, maintaining, or repairing bridges, approaches, or grade separations."

RECORD OF TAX SALES TO COUNTY

When real property is offered for sale under IC 6-1.1-24-6 for two (2) consecutive years and a bid is not received in an amount equal to or in excess of the minimum sale price the county acquires a lien in the amount of the minimum sale price. This lien attaches on the day after the last date on which the tract or item was offered for sale the second time. When the lien is acquired this fact should be noted in the Tax Sale Record, County Form No. 137, and an immediate record thereof made in the Register of Tax Sales to County, County Form No. 9S. It is also desirable to indicate on the tax duplicate "lien acquired by county on _____ 2____," so that this information will be immediately available in the event any person appears to make a payment. No money is paid by the county on bid by the auditor but such real estate shall be held in trust by the county for the benefit of all the tax levying bodies as their interest therein appear.

The Register of Tax Sales to County, Form 9S, is designed to keep a complete record of all the proceedings on property on which liens are acquired by the county from the date the lien was acquired to the date of redemption or sale of the real estate.

When a county acquires a lien and a tax sale certificate is issued to the county, pursuant to IC 6-1.1-24-6, the redemption should be handled in the same manner as property sold to other purchasers, by issuing a quietus for the amount required for redemption and by crediting the amount to the tax sale redemption fund. A warrant from that fund should then be issued to the "Treasurer of _____ County" for payment of the taxes, penalties, interest and costs for which a lien was acquired by the county, together with the statutory redemption penalty of 10% or 15% depending upon the date of redemption. The amount of the penalty added on redemption should then be entered in the "additional assessments" section of the duplicate in the column provided for "delinquent tax" and payment thereof entered by the county treasurer when the warrant is processed and a receipt (or receipts) issued for the taxes, penalties, interest and costs.

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RECORD OF TAX SALES TO COUNTY (Continued)

If the real estate is not redeemed within 120 days from the date the lien was acquired by the county, a deed shall be issued to the county. At that time all taxes and penalty against the property shall be removed by certificate of error.

INCREMENT TAX – WITHDRAWAL OF FORESTRY LANDS

In order that there will be a complete record of the increment tax imposed by IC 6-1.1-6-24, upon the withdrawal of land from classification for forestry purposes, and in view of the provisions of IC 6-1.1-6-24 which makes such tax a lien upon the land, with the land subject to tax sale if the tax is not paid, it is suggested that such tax be entered and handled as follows:

1. Enter the increment tax in the tax duplicate against such lands, but in a separate section thereof so that the collections may be properly apportioned in the manner provided in IC 6-1.1-6-24. In this respect the tax should be handled in the same manner as any other special assessment, such as a line fence assessment, with proper cross-references between the regular taxes on such lands and the increment tax.
2. When collected by the treasurer, receipt such tax into the ledgers of the auditor and treasurer by a separate Application to Pay and Quietus, and credit the same to the County General Fund.

NOTICE OF COUNTY COUNCIL MEETINGS

The provisions of IC 36-2-3-7 require that the county auditor, president of the council, or a majority of the members of the council calling the meetings to give written notice of the meeting to each member of the county council at least forty-eight (48) hours before the meeting and publish the notice at least one (1) day before the meeting in accordance with IC 5-3-1-4.

However, notice of the annual budget shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing on the budget. (IC 6-1.1-17-3) The public hearing must be completed at least ten (10) days before the proper officers of the political subdivision meet to fix the budget, tax rate and tax levy. (IC 6-1.1-17-5)

Notices of additional appropriations shall be published at least ten (10) days before the date fixed for the public hearing on the proposed additional appropriation. (IC 6-1.1-18-5; IC 5-3-1-2)

HANDLING LAW ENFORCEMENT CONTINUING EDUCATION PROGRAM FEES

1. Each court is to assess a \$4 law enforcement continuing education program fee on each action in which a defendant is found to have: (1) committed a crime; (2) violated a statute defining an infraction; or (3) violated an ordinance of a municipal corporation. (IC 33-37-5-8(c))
2. Monthly, a county, city or town court clerk is to transmit the law enforcement continuing education fees collected to the county, city or town fiscal officer. (IC 33-37-4-1, IC 33-37-4-2, IC 33-37-4-3)
3. The fiscal officer shall deposit the fees into either the County User Fee Fund or the City or Town User Fee Fund. (IC 33-37-4-1, IC 33-37-4-2, IC 33-37-4-3)

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HANDLING LAW ENFORCEMENT CONTINUING EDUCATION PROGRAM FEES (Continued)

4. A law enforcement agency may receive funds from a County User Fee Fund or a City or Town User Fee Fund by filing a claim with the county, city or town fiscal officer. The claim shall include a "verified statement" of cause numbers for fees collected that are attributable to the law enforcement efforts of that agency. Payment of the claimed amount from a County User Fee Fund or a City or Town User Fee Fund may be made without appropriation. (IC 5-2-8-1)
5. Claims may be filled as often as monthly but must be filled in the same local fiscal year in which the fees are collected. (IC 5-2-8-1(g))
6. On receipt of the amount claimed by the law enforcement agency, the fiscal officer shall place the amount received into the County Law Enforcement Continuing Education Fund. (IC 5-2-8-1(c))
7. Funds received by a law enforcement agency shall be used for the continuing education and training of law enforcement officers employed by the agency and for equipment and supplies for law enforcement purpose. (IC 5-2-8-1)
8. Amounts claimed for expenditures from the County Law Enforcement Continuing Education Fund must have been appropriated prior to expenditure either through the normal budget process or by additional appropriation. (IC 33-37-8-6)
9. Money in excess of \$100 that is unencumbered and remains in the county law enforcement continuing education fund for a least one entire calendar year from the date of deposit, at the end of a county's fiscal year, be deposited by the county auditor in the law enforcement training fund established under IC 5-2-1-13(b).

LAW ENFORCEMENT CONTINUING EDUCATION PROGRAM FEES - FILING VERIFIED STATEMENTS OF CAUSE NUMBERS

Since the statutes (IC 5-2-8, IC 33-37-8) are silent regarding by whom or in what manner the "verified statement of cause numbers" will be prepared, the State Board of Accounts has adopted the following suggested procedures to handle such filings:

1. The applicable law enforcement agency should prepare the claim. At a minimum, the claim should indicate each fee collected by date of payment, cause number, defendant name, and receipt number if available.
2. The claim should be filed by the law enforcement agency with the fiscal officer of the governmental unit.
3. The fiscal officer shall transmit the claim to the court clerk in order for the claim to be verified.
4. Once the court clerk verifies the fees claimed on the claim, the claim shall be transferred back to the fiscal officer for processing in the same manner as all other claims, i.e. submitted for the board's approval and subsequent payment.
5. An alternative to steps number 3 and 4 had been approved for some units. In this instance when the clerk transmits the monthly collection of law enforcement continuing education fees to the fiscal officer, the court clerk includes a listing of the fees transmitted by date of payment, cause number, defendant name, and the law enforcement agency to which the fees are attributable. By doing this, the fiscal officer is able to verify the fees claimed by the various law enforcement agencies and is not required to go back to the court clerk.

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LAW ENFORCEMENT CONTINUING EDUCATION PROGRAM FEES - FILING VERIFIED STATEMENTS OF CAUSE NUMBERS (Continued)

It would also be permissible for the law enforcement agency to attach a copy of such listing that is provided by a court to a claim once the law enforcement agency verified the accuracy of the data contained in the listing.

DETAILED SPECIFICATIONS NOT REQUIRED IN NOTICE TO BIDDERS

When advertising for bids, it is not necessary to list in detail the specifications of the job, material, or project under consideration. It is sufficient for the ad to state specifications may be inspected in the county office.

The advertising must be in accordance with IC 5-3-1-2 (e) and the specifications must be clear, and subject to bidder's inspection. The advertisement should list the items which are to be purchased or contracted for, but need not include the entire listing of component items.

OPENING BIDS

Counties are prohibited from requiring any bidder to submit his bid earlier than the time of the meeting at which the bids are to be opened. (IC 5-22 and IC 36-1-12-4)

The meeting for receiving bids must be open to the public. All bids received must be made available to the public.

LEAVE OF ABSENCE – OFFICERS AND EMPLOYEES WHO ARE MEMBERS OF THE INDIANA NATIONAL GUARD OR RESERVES

RESERVE DUTY

Each officer and employee of the State of Indiana or of any county, township, municipality or school corporation in Indiana who is:

- (1) A member of the Indiana National Guard,
- (2) A member of a reserve component, or
- (3) A member of the retired personnel of the naval, air, or ground force of the United States,

is entitled to receive from the member's employer a leave of absence from the member's respective duties in addition to regular vacation period without loss of time or pay for the time that the member is:

- (1) on training duties of the state under the order of the governor as commander in chief; or
- (2) a member of any reserve component under the order of the reserve component authority;

for any consecutive or nonconsecutive period that does not exceed a total of fifteen (15) days in any calendar year. The entitlement to a leave of absence without loss of time or pay is not at the discretion of the member's employer. (IC 10-16-7-5(b))

ACTIVE DUTY

A member is entitled to receive from the member's employer a leave of absence from the member's respective duties, in addition to the members regular vacation period, for the total number of days that the member is on state active duty under IC 10-16-7-7. This leave of absence may be with or without loss of time or pay at the discretion of the member's employer. (IC 10-16-7-5 (c))

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TRAVEL EXPENSE

The following sets forth the audit position of the State Board of Accounts with regard to reimbursements made by local governmental units to their officers and employees for travel and meal expenses.

A local unit may reimburse such persons for actual miles traveled in their own motor vehicles on the official business of the local unit at a reasonable rate per mile as fixed by an ordinance or resolution of the unit's legislative body. The mileage rate should be fixed by the board or commission having authority to approve claims for travel expenses. No particular mileage rate has been set by the State of Indiana for all local units of government and, consequently, the mileage rate lies within the discretion of the legislative body, board or commission, unless otherwise provided by statute. The body setting the mileage rate should also determine whether parking fees and toll charges are included in the rate or, on the other hand, whether such expenses are to be reimbursed separately based on the submission of receipts.

Reimbursed mileage should not include travel to and from the officer's or employee's home and regular place of employment. If more than one person rides in the same vehicle, only one mileage reimbursement is allowable. General Form 101 (or an approved substitute) should be used for claiming mileage. The odometer reading columns on this form are to be used only when the distance between points cannot be determined by fixed mileage or, official highway maps.

When traveling outside the local unit's boundaries on official business, officers and employees may also be reimbursed for meals, lodging, and incidental expenses as defined in the travel policy. The claim for reimbursement should be supported by itemized receipts from hotels, restaurants, and taxi cabs used by the officer or employee while traveling on official business.

It is permissible for the legislative body of the local unit or the board or commission having the authority to approve claims to adopt an ordinance or resolution establishing a reasonable per diem rate intended to cover travel expenses other than hotel and mileage costs and the officer or employee may be reimbursed on the basis of such a per diem rate in lieu of submitting receipts. If a fixed per diem rate is established by policy, the policy should clearly indicate which type of expenses, in addition to meals, are included in the rate and which expenses are to be reimbursed on the basis of actual receipts being submitted by the officer or employee. The policy should also define the local unit's boundaries for purpose of reimbursing travel; i.e. outside a 50-mile radius of the office, outside the county, etc. The policy should cover a proportionate reduction in the per diem rate when meals are provided by an outside party.

When state statutes govern the amounts of allowable travel reimbursements, those statutes supersede local policy. Also, when determining the reasonableness of a mileage rate or per diem rate, consideration should be given to rates established by the State of Indiana and the Federal government. The local unit should, however, consider the income tax implications of setting its rates higher than the current Federal rates.

In all cases, an officer or employee requesting reimbursement for overnight travel is required to submit a receipt from the hotel or other meeting place where such accommodations were provided.

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EXCISE TAX ACCOUNTING

BMV Distributions

The Bureau of Motor Vehicles (BMV) deposits daily into the county's BMV bank account the excise tax and if applicable the surtax and wheel tax collected. The collections are held by BMV for 14 days from the date payment is made by the taxpayer before distributions are made to the counties. For example, all collections received by BMV on August 11th were processed for distribution on August 25th. On the processing date, BMV compiles all of the excise, wheel and surtax by county for the entire state. BMV then requests that payments be made from the State's bank to each County's BMV bank accounts. On the same date, BMV puts three reports and a text file on the FTP site. All of the reports are labeled "For Transactions thru" and the date the collections were made to BMV from the taxpayer. In our example; the reports will be labeled "For Transactions thru: 8/11/14, however the reports will be placed on the BMV FTP site on August 25th. The BMV will authorize that the payments be made from the State account on August 25th and the deposit will reach the County's bank account on August 26th or 27th.

The text file can be used to interface with the County's software to post the payments by township to the Auditor's excise tax ledger. In addition to the text file, three reports are placed on the FTP site each business day. To identify the reports look at the third number of the file name on the FTP site. The first two digits of the report are the county number followed by a one, two or three for the three reports each month. The first report (xx1) is the Auditor Report of Registrations per Township (excise). The second report (xx2) is the Assessor Report of Registration per Township (Surtax and Wheel Tax). The third report (xx3) is the Deposit Report which summarizes the total amount deposited to the county BMV bank account and also gives the breakdown between excise, surtax and wheel tax collections that make up the total deposit. The next eight numbers are the year, month and date. The last four numbers on the file name us the report number.

Both the Treasurer and the Auditor can access the BMV FTP site daily and print the reports or copy them to the County's hard drive or server. To acquire access to the FTP site, the auditor or treasurer should contact Tamytha Cooper (tcooper@bmv.in.gov) and have her set up an account, user id and password. If you do not access the FTP site for 30 days, the password will expire and if you do not access the FTP Site for 90 days your account for that site is deleted.

Treasurer Procedures For BMV Transactions

We recommend that the Deposit Reports be accessed and copied or printed daily by the Treasurer's office. We also recommend that the Treasurer's cash book be posted daily, however at a minimum, once a month the amount of the excise collected must be posted to the Treasurer's cash book. A receipt should be issued that shows the date of the deposit (report date), the amount deposited and should also list the transaction date and the report number. If the posting is done weekly or monthly, the receipt should list the range of transaction dates and the range of report numbers include on the receipt. The excise tax should be posted to the Other Sources, Excise Tax Collections. The amount received for surtax and wheel tax should be on a quietus issued by the Auditor's office and be part of the Funds Ledger on the Cash Book. The total amount deposited should be entered in the bank deposits section of the cashbook. All of these amounts should be taken from the Deposit Report. The Deposit Report is the notification from the BMV of the amount of Excise tax, wheel and surtax collected for your county for that transaction date. If the amount shown as deposited on the bank statement does not match the Deposit Report, the County should contact BMV immediately.

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EXCISE TAX ACCOUNTING (Continued)

Please note that the process of reconciliation requires you compare your county's record balance (cash book) to the bank's record (bank statement). If only the bank statement is used to post the cash book then a true reconciliation has not been done. The deposit report functions in the same way an ACH remittance from the Auditor of State functions for EFT deposits. In addition, the total on the deposit report should also tie to the amount on the last page of the Auditor Report of Registrations by Township for the excise tax and to the amount on the last page of the Assessor Report of Registrations by Township for wheel tax and surtax.

State Distributions Treasurer Procedures

The Indiana Department of Revenue (IDOR) distributes to counties the aircraft excise, quarterly in January, April, July and October. Auto rental excise tax is distributed by IDOR semi-annually in May and November. The IDOR collects wheel tax through the Motor Carrier Division on commercial vehicles. The state distributed this wheel tax monthly. The county treasurer should receipt aircraft and auto excise tax collections to excise accounts in the Other Sources section of the cashbook. Wheel tax should utilize a quietus and be deposited to the county auditor's Wheel Tax/Surtax Fund and is entered in the Funds Ledger section of the cashbook, just as stated above for wheel tax remittances from the BMV.

The Auditor of State's office distributes monthly to counties watercraft excise tax, education plate fees and excise tax cut replacement. They distribute annually the final excise tax cut replacement. The county treasurer should be posting watercraft excise tax; monthly excise tax replacement distributions and final excise tax cut replacement to the excise accounts in the Other Sources section of the cashbook. Education plate fees are deposited to the county auditor's Education Plate Fee Fund by quietus and be entered in the Funds Ledger section of the Treasurer's Cashbook.

Auditor Procedures

The County Auditor should have an excise tax ledger to record motor vehicle excise tax, watercraft excise tax, aircraft excise tax, auto rental excise tax, lottery credit and excise tax cut replacement distributions. The ledger should be separated by taxing district but have a control ledger for all excise tax activity. Within each separate or subsidiary ledger for a taxing district there should be separate columns to account for each of the taxes and distributions listed above that are to be included in the ledger. The ledger must be footed by month and have a running balance. The amounts for the motor vehicle excise tax to be posted to the ledger would come from the text file or the Auditor Report of Registrations by Township. If the total of this report does not tie to the Deposit Report for Excise tax, BMV should be contacted to determine the problem. The excise tax from the BMV is posted for the transaction date on the reports. The surtax and wheel tax from the Assessor Report of Registrations by Township should be posted to the Auditor's Wheel Tax/Surtax Fund by quietus. Receipts for watercraft, aircraft, auto rental excise and final excise tax cut replacement distributions should be posted in the month received. Monthly excise tax cut replacement distributions should be posted in the month received or to the previous month. Posting these monthly distributions to the previous month matches distributions to the lottery credit being replaced by the distribution. County Auditors should be posting the excise tax ledgers at least monthly.

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Settlement and Reconciliation

The following should be included in settlement: motor vehicle excise tax, monthly excise tax cut replacement distributions, final excise tax cut replacement distribution for the year, watercraft excise, aircraft excise and auto rental excise tax. The amount of the excise to include in the settlement is the excise tax posted to the county auditor's excise tax ledger as of the excise tax cutoff date. The cutoff date should be as of the end of a month. For most counties the cutoff dates have been April 30 for June settlement and October 31 for December settlement. Since BMV now has a 14 day lag between the transaction date and the deposit and report date, counties may want to consider backing those dates up to March 31 and September 30.

The Auditor of State's Office provides a Reconciliation Worksheet that should be used to determine the difference between the excise tax the county auditor is including in the settlement and the excise tax the county treasurer certified on the 49TC. Because the county auditor should be including in the settlement, the excise tax posted to the excise tax ledger as of the cutoff date (based on the transaction date) and the county treasurer should be certifying on the 49TC the excise tax posted to the cashbook (based on the deposit date) as of the date the 49TC is completed, there should be a variance to reconcile using the Reconciliation Worksheet. Once the auditor and treasurer have reconciled the excise tax records of their offices, excise tax allocations can be calculated according to the State Auditor's instruction. More details on complete excise tax accounting and settlement is provided by the State Auditor's office.

CITY AND TOWN COURT COST FUND

IC 33-37-7-6 requires that three percent (3%) of all court costs collected by the Clerk of the Circuit Court to be set aside by the County Auditor in a City and Town Court Cost Fund. Such funds shall be distributed semiannually to each city and town in the county that maintains a law enforcement agency and prosecutes at least fifty percent (50%) of its ordinance violations in a circuit, superior, or county court in the county. If a city or town located in Marion County prosecutes its ordinance violations in a municipal court, then that city or town would qualify for such distribution.

The county auditor shall determine the amount to be distributed to each city and town qualified as follows:

STEP ONE: Determine the population of the qualified city or town.

STEP TWO: Add the populations of all qualified cities and towns determined under STEP ONE.

STEP THREE: Divide the population of each qualified city and town by the sum determined under STEP TWO.

STEP FOUR: Multiply the result determined under STEP THREE for each qualified city and town by the amount of the qualified municipality share.

The county auditor shall semiannually (in June and December) distribute to each qualified city and town the amount computed for that city or town under STEP FOUR.

If no city or town qualifies for a semiannual distribution, the monies shall remain in the city and town court cost fund for future distribution, it is not to be transferred to the County General Fund.

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COMPENSATION OF SPECIAL PROSECUTING ATTORNEYS

IC 33-39-1-6 deals with the appointment and compensation of special prosecuting attorneys. In regard to compensation this statute states:

"If the special prosecutor is not regularly employed as a full-time prosecuting attorney or a full-time deputy prosecuting attorney, the compensation for the special prosecutor's services:

- (1) shall be paid to the special prosecutor from the unappropriated funds of the appointing county; and
- (2) shall not exceed a per diem equal to the regular salary of a full-time prosecuting attorney of the appointing circuit, and travel expenses, and reasonable accommodation expenses actually incurred.

If the special prosecutor is regularly employed as a full-time prosecuting attorney or deputy prosecuting attorney, the compensation for this special prosecutor's services:

- (1) shall be paid out of the appointing county's unappropriated funds to the treasurer of the county in which he regularly serves; and
- (2) must include a per diem equal to the regular salary of a full-time prosecuting attorney of the appointing circuit, travel expenses, and reasonable accommodation expenses actually incurred."

IC 33-39-6-5(d) states the State shall pay, from the State General Fund, the minimum annual salary of a prosecuting attorney.

IC 33-39-6-5(a) states that the salary of a full-time prosecuting attorney shall be the same as the salary paid to the circuit court judge of the same judicial circuit.

IC 33-38-5-6 states that the salary of full-time circuit court judged shall be \$110,500.

Based on fifty-two (52) five (5) day weeks, (total two hundred sixty (260) days) the maximum daily per diem rate for a special prosecuting attorney who is not regularly employed as a full-time prosecuting attorney or a full-time deputy prosecuting attorney is \$425.00.

This rate would also be applicable in the case of reimbursement to another if the special prosecutor is employed as a full-time prosecuting attorney or deputy prosecuting attorney.

TEMPORARY JUDGES

IC 33-38-11 authorizes judges of circuit, superior, or county courts to appoint temporary judges and sets their compensation at twenty-five dollars (\$25) per day. This statute states that the compensation of temporary judges is to be paid by the county.

MEDICAL CARE FOR INMATES

IC 11-12-5-5(b) states, "... A person confined to a county jail may be required to make a copayment in an amount of not more than fifteen dollars (\$15) for each provision of any of the following services:

- (1) Medical Care
- (2) Dental Care
- (3) Eye Care
- (4) Any Other Health Care Related Services."

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MEDICAL CARE FOR INMATES (Continued)

However, a person confined to a county jail is not required to make the copayment if: (1) the person does not have funds in the trust account at the time of service, (2) the person does not have funds in the trust account within 60 days after the service, (3) the service is an emergency, (4) the service is a result of an injury received in the county jail, and (5) the service is provided at the request of the sheriff or jail administrator.

IC 11-12-5-5(e) states " Rules for the implementation of this section must be approved by the county legislative body." This would appear to mean that in most instances the County Commissioners will need to adopt a Home Rule Ordinance setting the amount of the fee to be charged. IC 11-12-5-5(d) states "Money collected must be deposited into the County Medical Care for Inmates Fund." However, since this is a reimbursement of costs, this should go to the fund that paid the costs of the service.

The State Board of Accounts audit position in regard to this statute is as follows:

1. Monies received by the county auditor from the county sheriff for this copayment may be receipted into the fund in which payment for services provided were or will be paid from, or;
2. Into the newly created County Medical Care for Inmates Fund.

RECORD OF HOURS WORKED

IC 5-11-9-4 provides that records be maintained showing which hours were worked each day by officers and employees of the county.

This requirement can be met by preparing an endorsement on the payroll claim form showing the general work schedule and listing the specific employees who worked hours different from that general work schedule. Each elected officer or head of each department would be responsible for preparing such endorsement on the payroll claim for their office or department.

If an employee is employed by more than one (1) public agency or in more than one (1) position within that public agency, it is also essential that an accurate record of hours worked be maintained. In these instances we recommend that each agency and department records reflect hours worked in both positions.

TAX SALE – PARTIAL PAYMENTS

IC 6-1.1-24-1.2 (b) states, "A county treasurer **may** accept partial payments of delinquent property taxes, assessments, penalties, interest, or costs under subsection (a) after the list of real property is certified under section 1 of this chapter."

The acceptance of a partial payment after July 1st will not remove the property from the tax sale. IC 6-1.1-24-1.2(a) states: "A tract or an item of real property **may not be removed from the list certified** under section 1 of this chapter before the tax sale **unless all delinquent taxes, special assessments, penalties due on the delinquency, interest, and costs directly attributable to the tax sale have been paid in full.**"

PURCHASES OF COMPUTER HARDWARE AND SOFTWARE

The purchase of a computer system (hardware and software) is subject to the Public Purchases Law (IC 5-22); however, IC 5-22-10-7 allows a purchasing agent to make a special purchase of data processing contracts or license agreements for:

- (1) software programs; or
- (2) supplies or services, when only one (1) source meets the using agency's reasonable requirements.

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PURCHASES OF COMPUTER HARDWARE AND SOFTWARE (Continued)

If it is determined that a special purchase of data processing contracts or license agreements for software programs or supplies or services, the purchasing agent may make a purchase without soliciting bids or proposals. However, the special purchase must be made with competition as is practicable under the circumstances. (IC 5-22-10-2)

STATE AND FEDERAL MILEAGE RATES

The current mileage rate paid to State Employees in travel status is 44 cents per mile.

The current Federal mileage rate is 56 cents.

SALE, EXCHANGES, TRANSFER OR LEASE OF PROPERTY

REAL PROPERTY

APPRAISALS, PUBLICATIONS AND BIDS

IC 36-1-11-4 states, "(a) A disposing agent who wants to sell or transfer real property must comply with this section, except as permitted by section 4.1, 4.2, 5, 5.5, 5.7, 5.9, 8, 14, 15 or 18 of this chapter.

(b) The disposing agent shall first have the property appraised by two (2) appraisers. The appraisers must be:

- (1) professionally engaged in making appraisals;
- (2) licensed under IC 25-34.1; or
- (3) employees of the political subdivision familiar with the value of the property.

The appraisers shall make a joint appraisal of the property.

(c) After the property is appraised, the disposing agent shall publish a notice in accordance with IC 5-3-1 setting forth the terms and conditions of the sale and, when subsection (e) is employed, may engage an auctioneer licensed under IC 25-6.1 to advertise the sale and to conduct a public auction. The advertising conducted by the auctioneer is in addition to any other notice required by law and shall include a detailed description of the property to be sold stating the key numbers, if any, of the tracts within that property. If the disposing agent determines that the best sale of the property can be made by letting the bidders determine certain conditions of the sale (such as required zoning or soil or drainage condition) as a prerequisite to purchasing the property, the disposing agent may permit the bidders to specify those conditions. The notice must state the following:

- (1) Bids will be received beginning on a specific date.
- (2) The sale will continue from day to day for a period determined by the disposing agent of not more than sixty (60) days.
- (3) The property may not be sold to a person who is ineligible under section 16 of this chapter.
- (4) A bid submitted by a trust (as defined in IC 30-4-1-1(a)) must identify each:
 - (A) beneficiary of the trust; and
 - (B) settler empowered to revoke or modify the trust.
- (d) A bid must be open to public inspection. A bidder may raise the bidder's bid, and subject to subsection (e), that raise takes effect after the board has given written notice of that raise to the other bidders."

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SALE, EXCHANGES, TRANSFER OR LEASE OF PROPERTY (Continued)

OTHER PROCEDURES

IC 36-1-11-4 also states, "(e) The disposing agent may also engage an auctioneer licensed under IC 25-6.1 to conduct a sale by public auction. The auction may be conducted either at the time for beginning the sale in accordance with the public notice or after the beginning of the sale. The disposing agent shall give each bidder who has submitted a bid written notice of the time and place of the auction.

(f) The disposing agent may, before expiration of the time set out in the notice, sell the property to the highest and best bidder. The highest and best bidder must have complied with any requirement under subsection (c)(4). However, the disposing agent may sell the property for less than ninety percent (90%) of the appraised value of the tracts only after having an additional notice of the sale published in accordance with subsection (c). The disposing agent may reject all bids. If the disposing agent rejects all bids, the disposing agent must make a written determination to reject all bids explaining why all bids were rejected.

(g) If the disposing agent determines that, in the exercise of good business judgment, the disposing agent should hire a broker or auctioneer to sell the property, the disposing agent may do so and pay the broker or auctioneer a reasonable compensation out of the gross proceeds of the sale. A disposing agent may have a broker to sell real property directly rather than using the bid process under subsections (c) through (f) if:

- (1) the disposing agent publishes a notice of the determination to hire the broker in accordance with IC 5-3-1; and
- (2) the property has been up for bid for at least (60) days before the broker is hired, and either no bids were received or the disposing agent has rejected all bids that were received.

The disposing agent may hire one (1) of the appraisers as the broker or auctioneer."

IC 36-1-11-5.5 also contains a special provision for the sale or transfer of real property for no compensation or a nominal fee to a not-for-profit corporation created for educational or recreational purposes. Additionally, other possible applicable provisions exist concerning townships; IC 20-26-7-3 and IC 20-6-7-5-, conveyance to a city, etc.

PERSONAL PROPERTY

Personal property subject to disposal (trucks, mowers, desks, tables, chairs and/or other moveable equipment), is governed by IC 5-22-22.

USE OF AUCTIONEER

IC 5-22-22-4 states, "(a) If the property to be sold is:

- (1) one (1) item, with an estimated value of one thousand dollars (\$1,000) or more; or
- (2) more than one (1) item, with an estimated total value of five thousand dollars (\$5,000) or more; the purchasing agency may engage an auctioneer licensed under IC 25-6.1 to advertise the sale and conduct a public auction.

(b) The advertising by an auctioneer under this section must include a detailed description of the property to be sold.

(c) The purchasing agency shall pay an auctioneer who conducts a sale under this section from the gross proceeds of the sale received before other expenses and liens are paid."

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SALE, EXCHANGES, TRANSFER OR LEASE OF PROPERTY (Continued)

PUBLIC SALE OR SEALED BIDS

IC 5-22-22-5 states, "(a) If:

(1) an auctioneer is not engaged under section 4 of this chapter; or
(2) the surplus property is not sold through an Internet auction site under section 4.5 of this chapter; the purchasing agency shall sell the property at a public sale or by sealed bids delivered to the office of the purchasing agency before the date of sale.

(b) Advertisement of the sale shall be made in accordance with IC 5-3-1.

(c) All sales shall be made to the highest bidder."

PUBLIC OR PRIVATE SALE OR TRANSFER WITHOUT ADVERTISING

IC 5-22-22-6 states, "If the property to be sold is:

(1) one (1) item, with an estimated value of less than one thousand dollars (\$1,000); or
(2) more than one (1) item, with an estimated total value of less than five thousand dollars (\$5,000); the purchasing agency may sell the property at a public or private sale or transfer the property, without advertising."

EXCHANGE OF PROPERTY BETWEEN GOVERNMENTAL BODY

IC 5-22-22-10 states, "(a) A purchasing agency may exchange property with another governmental body upon terms and conditions agreed upon by the governmental bodies as evidenced by adoption of a substantially identical resolution by each entity.

(b) A transfer under this section may be made for any amount of property or cash as agreed upon by the governmental bodies."

Various other procedures are provided in IC 5-22 concerning internet sales, recyclable and worthless property.

The governing board should seek written advice of the county attorney for interpretation of any of the provisions relating to selling or other disposition of property no longer needed by the county.

ELECTION APPORTIONMENT FORM #151

Make sure that for any municipal elections after this date that you get the most current form from the election division.

MORTGAGE FEE IC 24-9-9-1 MORTGAGE RECORDING FEE

The county recorder shall assess a fee of three dollars (\$3) under IC 36-2-7-10(b) for each mortgage recorded. Public 73-2004 created a new fee to be charged by the county recorder. The fee is \$3 for each mortgage recorded. \$.50 goes to the recorder's perpetuation fund and \$2.50 to the state.

The recorder will remit the state's share to the auditor monthly. The auditor then will remit this semiannually to the state. The auditor will need to create a new fund to hold this fee until remittance to the state. For uniformity purposes, all auditors and recorders should call this fee the same. Therefore, on the report of collections, title the fee Mortgage Fee. Auditors will create the new fund and title it Mortgage Fee Fund.

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EDIT

Many counties have adopted the EDIT tax. To spend these funds the county must do the following two items:

1. Commissioners must adopt a capital improvement plan.
2. Council must appropriate this fund consistent with the capital improvement plan.

Our audit position that the EDIT fund must be appropriated is based upon the following. IC 36-2-5-2(b) states. "The county fiscal body shall appropriate money to be paid out of the treasury, and money may be paid out of the treasury only under an appropriation made by the fiscal body, except as otherwise provided by law." We do not see anything in IC 6-3.5-7 that specifically allows the EDIT fund to be paid without an appropriation. Therefore, the EDIT fund must be appropriated by the county council but for only those items included in the capital improvement plan.

QUESTIONS AND ANSWERS FROM COUNTY AUDITORS SPRING CONFERENCE

Question #1: Can newly elected official hire anyone as his/her first deputy, even if that person is a relative? Can they hire a 3rd or 4th deputy that is related to the 1st deputy?

Answer #1: If the person is a relative as defined under IC 36-1-20.2-8, IC 36-1-20.2-10 provides that individuals who are relatives may not be employed by a unit in a position that results in one (1) relative being in the direct line of supervision of the other relative. "Direct line of supervision" is defined as an elected officer or employee who is in a position to affect the terms and conditions of another individual's employment, including making decisions about work assignments, compensation, grievances, advancement, or performance evaluation. You should consult with your county attorney to determine if these positions and associated duties violate this statute or county policy which may be more stringent than the county statute. Our July 2012 offers our position on this statute. Also included are commonly asked questions with answers that while not audit positions may assist your attorney.

Question #2: Can Counties require an administrative fee for handling grants? What is the Indiana Code for this requirement if we can since so much time is spent on these grants?

Answer #2: Many counties already receive reimbursement for these costs through their indirect cost plans. It is rare that we see a grant budget that provides for an administrative fee related to a specific grant.

Any administrative fees or costs associated with a specific federal or state grant would need to be included in the grant budget as approved by the grantor agency. Since the grant agreement determines the allowable expenses related to a specific grant the Indiana Code will not address this question.

Question #3: I am running for re-election. My mother has worked for me from prior to July 1, 2012, so she was grandfathered in under the Nepotism laws. Will she be able to retain her position with my office if I am re-elected?

Answer #3: Yes she would as long as she has not had a break in employment per IC 36-1-20.2-2.

Question #4: Does the Plat Book Fund require appropriation?

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QUESTIONS AND ANSWERS FROM COUNTY AUDITORS SPRING CONFERENCE (Continued)

Answer #4: Yes. Per IC 36-2-5-2 The county fiscal body shall appropriate money to be paid out of the county treasury, and money may be paid out of the treasury only under an appropriation made by the fiscal body, except as otherwise provided by law. IC 36-2-9-18 which is the authority allowing for this fund does not specifically allow for this fund to be unappropriated.

Question #5: And how may the Plat Books funds be used?

Answer #5: Per IC 36-2-9-18, the funds should be used for maintaining the plat books.

Question #6: Can the Plat book be recreated in Excel?

Answer #6: Per IC 6-1.1-5-1 this form is prescribed by Department of Local Government Finance, so you should contact them to determine an acceptable electronic form.

Question #7: Can funds which have balances, but have not been used for several years be closed, and what is the procedure?

Answer #7: Inactive or dormant funds should be researched to determine where remaining balances should go. IC 5-1-13-2 provides guidance on balances from bond issuance. Grantor agencies should be contacted for instructions regarding balances remaining in a grant fund. IC 36-1-8-5 is a general law which provides that unused and unencumbered balances in county funds which have been raised by levy on all of the taxable property of the county be transferred to the county general fund or rainy day. If after reasonable research a determination cannot be made of funding source, the remaining balance should be transferred to the general fund.

Question #8: Can the Auditor make a mandatory payroll direct deposit decision or does it have to be a policy in writing (examples: personnel policy, Commissioners ordinance or resolutions)?

Answer #8: IC 36-1-3 provides commissioners with home rule powers when there is not a specific statute. While some counties have adopted such policies it becomes a legal matter to determine if you can enforce such policies. You should work with your commissioners and county attorney.

Question #9: Who has authority to terminate Solid Waste Management District employees?

Answer #9: IC 13-21-3-12(15) lists powers of the district. However, we recommend that you consult the unit's attorney and personnel policies when questions arise regarding termination of employment.

Question #10: What is the Indiana Code for charging copies made as well as maps for the public?

Answer # 10: IC 5-14-3-8

Question #11: The County has a Sheriff Pension Trust Fund; however, the service of process fee (\$13) was being receipted into the County General Fund. Do we need to transfer the money from the General Fund to the Sheriff Pension Trust for the prior years, and if so, would we make the large contribution to the Trustee?

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QUESTIONS AND ANSWERS FROM COUNTY AUDITORS SPRING CONFERENCE (Continued)

Answer # 11: Based on available records you should do reasonable research to compare amount contributed to the pension fund with general fund money with what has been receipted into general fund with service of process fees. If more has been contributed than process fees receipted then no further contributions with past fees need to be made. If not, the difference should go to contribution. Going forward you should not wait to be billed to pay into the pension trust. The service of process fee authority is found under IC 33-37-5-15.

Question #12: When you sell equip (computers), can the department head say what line item the money goes into at the time the money is collected or does the transfer in the line item have to be done as an additional appropriation? Insurance Refunds?

Answer #12: Money received from the sale of equipment is receipted into the fund from which the original purchase was expended fund. Unless the fund is specifically exempt in statute from appropriation the money will need to be appropriated. Unlike certain types of refunds, such as insurance there is no statutory provision to exclude receipts from sale of equipment from appropriation. {er OC 6-1.1-18-7, insurance refunds do not require additional appropriation if the funds are expended to repair or replace property within 12 months of receipt.

Question #13: At the end of the year the county takes up to 10% of the balance of the tax driven funds. So we did but then were told that we could not take from Reassessment even though tax driven fund .

Answer #13: Per IC 36-1-8-5.1(a)(2)(B) the sources of funding for the rainy day fund may include any other funding sources not otherwise prohibited by law. The reassessment fund has specific statutory requirements for expenditures and by transferring into the rainy day fund, expenditures of those reassessment receipts will not meet statutory purposes.

Question #14: The clerk gets paid a "stipend" for election and she is also turning in claims for election board meetings and training and for election board member. Is the clerk supposed to get that in addition to the stipend?

Answer #14: IC 3-6-5-9 provides that "Each county fiscal body shall determine, in the manner provided by law, the compensation of:

- (1) the appointed members of the county election board; and
- (2) the circuit court clerk for the clerk's services as secretary of the county election board."

IC 36-2-7-2 provides the compensation fixed for county officers and employees under title 36 is in full for all government services and in lieu of all: fees; per diems; penalties; costs; interest; forfeitures; percentages; commissions; allowances; mileage; and other remuneration which shall be paid into the county general fund except allowable mileage, sheriff meals and tax warrants, county assessor reassessment per diems. Therefore, the county should pay officials and employees what is in the salary ordinance. Also keep in mind that IC 36-2-5-13 states in part: ". . . the compensation of an elected county officer may not be changed in the year for which it is fixed . . ."

Question #15: The Deputy Clerk also put election machine setup as a claim instead of on payroll. Shouldn't that be put on her time sheet and be taxable.

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QUESTIONS AND ANSWERS FROM COUNTY AUDITORS SPRING CONFERENCE (Continued)

- Answer #15:** As stated in answer #15, IC 36-2-7-2 states the compensation fixed for county officers and employees under title 36 is in full for all government services..." Therefore, the county should pay officials and employees what is in the salary ordinance and paid through the payroll process. Also, compensation should be in compliance with policy on working overtime, comp. time etc.
- Question #16:** Are we supposed to be using a bidders book or record? I have one, but it hasn't been used in many years.
- Answer #16:** This may have been required or prescribed many years ago but no longer. IC 5-22-7-9 sets out the information that is to be maintained
- Question #17:** What is required of the auditor's office in regards to grants? What info besides the copy of the grant and the cover sheet is the auditor's office required to have? Is the auditor's office responsible for what can or can't be paid from all grants?
- Answer #17:** You'll need to have information to complete the grant schedule, such as CFDA number, award number grantor information, etc. Sometimes this is not clear in the grant agreement or provided. Last year we provided a sheet that lists the information you'll need.
- The county is responsible and usually the persons responsible for implementing the grant are tasked with ensuring that only allowable costs are expended for. You do have at least the same responsibilities as you would for any claim.
- Question #18:** Should a full-time employee who does other work other than their salaried position, on their own time still get PERF on that income: Example a court reporter does a transcript on their own time for another court or public defender's office. It has to go through county payroll since they are an employee. Should the county pay PERF for that payment.
- Answer #18:** If the compensation they receive meets the requirements in your PERF plan then yes. You should contact INPERS if the plan is not clear about this situation. If INPERS is unclear as to if this person is acting in the capacity of employee vs contractor you should ask them what standard is used to determine this. If it is IRS guidelines a checklist is provided in publication 15.
- Question #19:** We were under the impression that the recorders perpetuation fund had to be appropriated this year. It does not appear to be the case.
- Answer #19:** That is correct. It is still an unappropriated fund. Even if it qualifies to have operating expenditures the county council approves sufficient funds as requested by the recorder.
- Question #20:** Are there any plans to update the auditors manual with forms updated and accessible?
- Answer #20:** The auditors manual will be updated as resources allow. The forms while referred to in the manual are updated separately and available through your forms vendor.
- Question #21:** On the money we collect for the tax deeds, do we put this on the auditors report of collections? If so what fund do we receipt this into?
- Answer #21:** It would be on your ROC. The handout we provided shows which fees go into which funds. We still recommend you work with your recorder

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QUESTIONS AND ANSWERS FROM COUNTY AUDITORS SPRING CONFERENCE (Continued)

Question #22: Give us an example of the plan for the recorders perpetuation plan. Do we need this by July 1, 2014?

Answer #22: The requirements are provided under IC 36-2-7-10.2 which were provided to your recorders. The allowance for operating expenditures through the plan, request statement, ordinance, and approval by fiscal body is for the following calendar year but a timeline is not specified for these items to be in place the preceding year

Question #23: Can it be put on all prescribed forms how long you have to keep that form?

Answer #23: How long the forms are kept are per the public records commission and subject to their adoption. The lack of resources to coordinate this could end up with misleading information on the forms.

Question #24: Why is there not a segment on the auditors HR responsibilities at every conference?

Answer #24: We will keep in mind. AIC does provide this information and it could be a good topic for your district meetings as well.

Question #25: Can we collect the recording fee at the time of the tax sale? If it is redeemed can we then refund it.

Answer #25: We would not recommend this. The statute is set up to collect the fees at the time of tax deed issuance. If you collected at time of tax sale you would need an accounts payable system to track money owed and won't necessarily know who the grantee is if the certificate of sale is sold.

Question #26: If we are charged with collecting the tax deed recording fees should there not be a fund established called auditor perpetuation since we are doing the work.

Answer #26: Many of the fees collected by the recorder go over to general fund, however, you can always bring this up to your leg committee.

Question #27: Is there a statute that states a county attorney is paid through payroll or a retainer?

Answer #27: No, this would depend on your relationship with the attorney. There are special IRS provisions in regard to attorneys found in publication 15 on determining whether they are subject to w-2 or 1099 reporting.

Question #28: Our sheriff purchases 3 vehicles at a time-total less than \$120,000. He doesn't invite quotes, just purchases from one dealer who meets state bid on patrol cars. Shouldn't he be inviting quotes from other dealers for the sake of transparency and competition? I've questioned this with him but he's insistent that he's doing this according to the law

Answer #28: If the sheriff is purchasing under IC 5-22-10, special purchasing methods, it may be done without soliciting bids or proposals. A special purchase must be made with competition as is practicable under the circumstances. There must be written determination of the basis for the special purchase, under IC 5-22-10-15 a purchase may be made from a person who has a contract with a state agency and the contract requires the person to make available to political subdivision. We wouldn't take exception to not obtaining quotes as lon as meeting these requirements in writing.

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QUESTIONS AND ANSWERS FROM COUNTY AUDITORS SPRING CONFERENCE (Continued)

Question #29: Is the auditor required to keep the bid, RFP, RFQ, special purchases registers for public inspection or can the departments requesting the bids, etc. keep those registers?

Answer #29: We will not take audit exception to the county's policy on who is to maintain these records as long as they are readily available.

Question # 30: The state E911 board told us that architect fees for a combined dispatch center were not a proper use of E911 funds, and that our E911 fund should be reimbursed. May this reimbursement come from the Public Safety LOIT (IC 6-3.5-1.1-25), Rainy Day, or Cum Courthouse funds?

Answer #30: We reviewed IC 6-3.5-1.1-25, IC 36-1-8-5.1, and IC 36-9-14. With proper appropriation, any of these funds may be used for this purpose.

Question 31: We have a city and town that have created TIF districts. We hire someone to do the TIF neutralization. May we deduct the cost of the neutralization from the tax distributions to the city and towns with the TIF districts?

Answer #31: The only deductions that may be made from tax distributions are those authorized by law. Additionally, TIF neutralization is a part of tax collection and settlement. Tax collection and settlement is a function of the county, so any cost incurred for TIF neutralization would be an expense of the county.

Question # 32: Is there a comprehensive list of funds for a County which details what the fund can be used for and how the receipts/revenues are categorized?

Answer #32: The State Board of Accounts website (www.in.gov/sboa/) provides the Chart of Accounts Instructions, Fund and Account Tables and Fund and Account Descriptions. Go to the SBOA website and select "Units to we audit" then select Counties. The information will be located at the bottom of the page. Additional explanations for receipt and disbursement categories are detailed in the gateway user guide.

Question #33: Is there a list of funds which require appropriation and the funds which do not require appropriation?

Answer #33: The County Bulletin April 2010, Volume 372 page 6 article on When Appropriations are not Needed provides that guidance.

Question # 34: The county commissioners have a credit card they allow departments to use. Over a course of years, a sizable rewards points balance has accumulated. The county commissioners asked whether they could use the points (which she thought would be credited to the credit card account) to pay for meals at a department head meeting.

Answer #34: In regards to redeeming reward points, we recommend the credit card company be contacted to see what redemption options are available. The county may use the points in accordance with the county's policy for credit card usage for allowable county purchases. The county should make every attempt to redeem rewards points in manner that does not circumvent the purchasing and claims process approvals.

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QUESTIONS AND ANSWERS FROM COUNTY AUDITORS SPRING CONFERENCE (Continued)

Question # 35: Do we have to get someone from the Treasurer's Office when we have cash collections in the Auditor's Office for tax sale redemptions or cash collections from other offices?

Answer #35: No, you do not have to get someone from the County Treasurer's office. The Treasurer is the official who is charged with the duties of receiving and depositing funds this is in the County Auditor's Manual p. 6-17. The Manual describes the manual quietus process, which can be done manually or with some automated steps to maintain adequate internal controls.

There will be instances, such as state distributions that are still by check and payments received by mail, where the auditor will have to deliver the payment to the treasurer. However, this procedure should be avoided where possible to not only comply with the law but to effect proper internal control over all such receipts. The form of Quietus, Application to Pay, Treasurer's Receipt and Auditor's Copy is required to be prenumbered by the printer. Under no circumstances shall unnumbered receipts be purchased or used, nor shall any other form of receipt be used by the auditor.

When any public official pays fees or other collections into the county treasury, the remittance must be accompanied with a prescribed or approved report form. The forms required to be used by the city and town courts are listed on page 4-5 of the County Auditor's Manual. All other county offices and departments should report collections on General Form 362. It is important such reports be filed, not only to meet statutory requirements but so the sources of receipts are identified for proper posting to the fund and detail receipt accounts.

Question # 36: Real property delinquent taxes follow the property. Even if there is a change of ownership and delinquent taxes are not paid. Does the same hold true for business personal property?

Answer #36: No. If personal property taxes remain unpaid after November 10th but prior to August 1 of the succeeding year the treasurer sends out a demand notice for payment of all delinquencies, penalties and fees. If the amount remains unpaid for at least sixty (60) days after the demand is made the total amount owed would be removed from the duplicate and certified to the Clerk.

Question #37: The gateway input sheet for the federal grants is very unstable. We have had instances where the total disbursements for the IV-D program were doubled. Additionally there have been a number of instances where the gateway froze in the middle of the data entry process, losing all the information. Please consider reviewing this section and making it more stable and user friendly.

Answer #37: Your concerns will be communicated to the IT department and IBRC (The state's vendor for this product).

Question #38: Can a County Employee serve on the Election Board, vote and be paid?

Answer #38: IC 3-6-5-3 indicates that an elected official or a candidate for an elected office may not serve on the election board (Except the Clerk). We have reviewed this code and find no prohibition of county employees other than elected officers or candidates. We also find no prohibition to these members voting.

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QUESTIONS AND ANSWERS FROM COUNTY AUDITORS SPRING CONFERENCE (Continued)

Question #39: When cross training in our office occurs, what, if any positions, should not cross over in the Auditor's office?

Answer #39: We discussed how effective internal control systems have proper segregation of duties. Incompatible duties within the auditor's office involve the ability to divert an asset to personal benefit and make adjustments to the records to cover up the diversion. For example, the person working the counter to collect fees and issue receipts should not also have the ability to post the receipts to the records, void or alter receipts, or prepare deposits.

Question #40: Our Prosecuting Attorney tells the Commissioners and Council that his employees fall under the 51st Judicial Circuit and do not have to follow the County Handbook. These employees, along with the Court Employees all receive County Wages, PERF, Insurance, Longevity, etc. Is there really an exception for these individuals? If they do not fall under the County and are not considered County Employees does the Auditor have a requirement to sign their paychecks? Do they still get County benefits?

Answer #40: We published our position related to Judges, Prosecuting Attorneys, Court Employees and Prosecuting Attorney Employees within our analysis of the application of the Nepotism statutes. This is published in the County Bulletin, July 2012:

We stated that in our opinion, Superior Court Judges, Circuit Court Judges, County Prosecutors, county court employees, and county prosecutor office employees are not included in this definition of a "unit" because Superior Court Judges, Circuit Court Judges, and County Prosecutors are elected to a judicial district and not elected to a specific county; therefore, they are not subject to the direction of the "elected office" of the county.

We consider this position applicable to determining the application of other county policies. It is our position that the "Judicial District" could choose to follow the county employee policies or could adopt their own policies. You will need to be aware of the policies that affect the compensation and benefits to employees that your office processes or for which you maintain the records for the county accountability for taxpayer funds used.

Question #41: Are there Specific rules for Title IV-D Incentive funds on how they are spending the money. Our Clerk uses her fund in a responsible manner, but our prosecutor allows his employees to work overtime. It seems like the General fund is funding more than they should.

Answer #41: You are responsible to audit claims and certify them prior to approval if they meet the requirements of law. IC 31-25-4-23, the incentive funds are to be used to "supplement, rather than take the place of, other funds used for the Title IV-D program activities." Therefore, the payment of overtime if for time spent supplementing Title IV-D program activities may be appropriate use of Title IV-D Incentive monies.

Question #42: Are both the Auditor and Treasurer to agree on penalty removal before it is to be removed?

Answer #42: We do not really put it in those terms when we discuss penalty removal. However, IC 6-1.1-15-12 on Correction of Errors does require the County Auditor to post the correction of errors in application of penalties after completion of the 127CE. Of course the county treasurer would likely be the one to bring such an error to the attention of the County Auditor to correct because of the evidence of timely payment is in that office as well as any waiver allowed under IC 6-1.1-37-10.7 (waiver for death in the family).

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QUESTIONS AND ANSWERS FROM COUNTY AUDITORS SPRING CONFERENCE (Continued)

Question #43: Is a new deed or survey required for a property owner to combine property parcels. The Assessor sent out a notice to property owners to combine parcels. He is sending a "form" with a short legal, and parcel numbers to combine. The Auditor's Office will take over a year to get all the requests taken care of.

Answer #43: IC 6-1.1-5-5.5 states before an owner records a transfer of an ownership interest in a parcel of real property that is created after the person became owner of the real property and is created either from a larger previously existing parcel or a combination of previously existing smaller parcels, the owner must submit, except as provided in section 9 of this chapter, the instrument transferring the real property to the county auditor to be entered for taxation....

Except as provided in section 9 of this chapter, before the county auditor may enter or transfer real property described in subsection (a) on the last assessment list, enter lots or parcels described in a plat under section 3 of this chapter, consolidate parcels under section 16 of this chapter, or apportion the assessed value of the real property among the owners the owner must pay or otherwise satisfy all property taxes for which the due date has passed as of the date of transfer on each of the parcels of real property from which the platted, consolidated, or transferred property is derived by paying the property tax to the county treasurer of the county in which the real property is located. The county auditor, subject to section 9 of this chapter, may not apportion delinquent taxes described in this subsection among the owners.

Question #44: How do we determine where the money goes that is in our County Owned Land Sale Fund? It has been at least 10 years since we had a County Owned Land Sale, and the money was never distributed at the time of sale.

Answer #44: Per the Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 10 (Page 10-3):

Proceeds generated by the sale or rental of property should be receipted into the fund which originally purchased the property unless otherwise provided by statute.

It would be our position that if the fund from which the property cannot be determined, then the money should be receipted to the County General Fund unless the Commissioners home rule the proceeds to another fund.

Keep in mind that there is statutory guidance on distribution of proceeds of the sale of the certificate of sale or tax deed that the county acquired from the tax sale in IC 6-1.1-24-6.4 and IC 6-1.1-25-9 respectively.

Question #45: We have a local ordinance for the Prosecutor Deferral Fund, but the cash balance is running low and the Pretrial Diversion fund has a healthy balance. Our county council wants to know if they can move cash from one fund to another.

Answer #45: No, the proper process is to reduce the appropriation in the Prosecutors deferral fund and adopt additional appropriations in the pretrial diversion fund where there is adequate cash balance to make the needed expenditures.

Question #46: Should election workers wages and reimbursements go through the claims (accounts payable) or payroll? If a County employee works an election does it go through payroll? Do election works follow the same income guidelines of \$600- to be issued a 1099.

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Answer #46: While the following was provided by Raelane Hoff, IRS agent for 2012, you should contact the IRS for the most up to date information.

Payments to Election Workers – Federal Employment Tax Treatment The treatment for Social Security and Medicare tax withholding is determined by the Indiana § 218 Agreement with the Social Security Administration. The Agreement was amended on July 31, 2007 and made retroactive to January 1, 2007 to exclude FICA coverage to workers who are paid less than the threshold amount mandated by law during the calendar year (the threshold is indexed each year and may change) Once an election worker is paid more than threshold amount in a calendar year, they no longer meet this exclusion and all wages paid to them in the calendar year are subject to FICA withholding. In 2012 the threshold is \$1,500. Election wages are never subject to federal income tax withholding.

Summary:

Election wages are excluded from Federal Income tax withholding

For FICA, once the annual threshold is met, all remuneration is subject to Social Security and Medicare tax, retroactively. (IRC 3121(b)(7)(F)(iv) and 3121(u)(2)(B)(ii)(V) and 210(a)(7)(F)(iv) and 218(c)(8) of the Social Security Act)

If reporting is required, use Form W-2—not Form 1099-MISC

The following illustrates the treatment of payments to election workers in Indiana:

Election worker – WORKS ELECTION ONLY

Election wages less than \$600 in the calendar year:

No W-2 is required. NOTE: Although Form W-2 is not required to be issued, election wages are taxable. The worker is to include the election wages on their income tax return.

Election wages equal to or greater than \$600 but less than \$1,500 in the calendar year:

W-2 required.

(Box 1 = election wages paid for the year, Boxes 3 and 5 = 0, Box 2, 4, 6 = 0 withheld)

Election wages equal to or greater than \$1,500 in the calendar year:

(Box 1, 3, 5 = all wages paid in the calendar year, Box 2 = 0 Boxes 4 and 6 = Social security and Medicare tax withheld)

Election worker – ALSO WORKS IN ANOTHER CAPACITY FOR THE ENTITY

Regular wages + Election wages total less than \$600 in the calendar year:

W-2 required.

(Box 1, 3, 5 = regular wages only. Election wages are not reported. Box 2, 4, 6 = Income tax, Social security, Medicare tax withheld on regular wages only) NOTE: Although Form W-2 will not include the election wages, the election wages are taxable. The worker is to include the election wages on their income tax return.

Regular wages + Election wages total \$600 or more in the calendar year:

W-2 required.

(Box 1 = Regular wages and election wages. If Election wages are less than \$1,500 report in Box 3, 5 only regular wages. Box 2, 4, 6 = Income tax, Social security, Medicare tax withheld on regular wages. If Election wages were \$1,500 or more, Box 1, 3, 5 = Regular and election wages. Box 2 = Income tax withheld on regular wages, Box 4, 6 = Social security, Medicare tax withheld on all wages)

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QUESTIONS AND ANSWERS FROM COUNTY AUDITORS SPRING CONFERENCE (Continued)

Question #47: Are tax sale payment plans to be agreed upon by both the auditor and treasurer? 2) Are tax sale payment plans optional?

Answer #47: Tax Sale Payment Plans are required to be agreed to by the County Treasurer and the Taxpayer. IC 6-1.1-24-1.2 states in part: "A county auditor shall remove a tract or an item of real property from the list certified under section 1 of this chapter before the tax sale if the county treasurer and the taxpayer agree to a mutually satisfactory arrangement for the payment of the delinquent taxes.

The county auditor shall remove the tract or item from the list certified under section 1 of this chapter if:

- (1) the arrangement described in subsection (c):
 - (A) is in writing;
 - (B) is signed by the taxpayer; and
 - (C) requires the taxpayer to pay the delinquent taxes in full not later than the last business day before July 1 of the year after the date the agreement is signed; and
- (2) the county treasurer has provided a copy of the written agreement to the county auditor.

We do not see any requirement to allow tax sale payment plans. Just that the agreement if any would have to be mutually agreed to by the Treasurer and Taxpayer.

Question #48: We do not have a contract with our Sheriff. Our sheriff's salary is set in the salary ordinance at an amount equal to 50% of the prosecuting attorney's state paid salary. Prosecutor's received a one-time "bonus" this year that is not considered an increase in the base salary for computing future salary increases. Is the sheriff entitled to this increase, and will the same base salary provisions apply?

Answer #48: We assume that you are paying your sheriff under the provisions of IC 36-2-13-2.8 and that your county has a population of not more than 20,000. This statute states: "In a county having a population of not more than twenty thousand (20,000), the county must pay the sheriff an annual salary that is equal to at least fifty percent (50%) of the annual minimum salary that would be paid by the state to a full-time prosecuting attorney in the county." This would appear to conflict with the general statute found in IC 36-2-5-13 which states: "Except as provided in subsection (b), the compensation of an elected county officer may not be changed in the year for which it is fixed." Whether the County chooses to pay the sheriff 50% of the stipend or not, we would not take audit exception if the County receives guidance from the county attorney citing the statutory authority used. We suggest that in the future, rather than stating an amount in the salary ordinance, the sheriff's salary be stated as 50% of the prosecutor's salary.

Question #49: C of E Form (form 133) – When is it specifically required for Business Personal Property Correction due to:

- Business Closed
- Penalties applied in error (LA Fixed / LA Calc)
- Assessed on incorrect person / parcel

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QUESTIONS AND ANSWERS FROM COUNTY AUDITORS SPRING CONFERENCE (Continued)

- Inaccurate information obtained from MH park
- Change of tax mailing address
- Etc.

Answer #49: County Auditors Manual Chapter 9 Section F Certificates of Error

Corrections of errors in the tax duplicates are to be made by the issuance of Certificates of Error, County Form No. 127-CE, and posted as a noncash credit on the tax duplicate. In addition, the certificates are required to be accounted for on County Form No. 127-CER, Register of Certificates of Error, and a copy of the register must be furnished to the Auditor of State with the December settlement.

A certificate of error may be issued for any one or more of the following reasons:

1. The description of the real property was in error;
2. The assessment was against the wrong person;
3. Taxes on the same property were charged more than one time in the same year;
4. There was mathematical error in computing the taxes or penalties on the taxes;
5. There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another;
6. The taxes, as a matter of law, were illegal;
7. There was a mathematical error in computing an assessment; or
8. Through an error of omission by any state or county officer, the taxpayer was not given credit for an exemption or deduction permitted by law.

The county auditor shall correct an error described under items (1), (2), (3), (4), or (5) when he finds that the error exists.

If the tax is based on an assessment made or determined by the DLGF, the county auditor shall not correct an error described under items (6), (7), or (8) until after the correction is either approved by the DLGF or ordered by the tax court.

If the tax is not based on an assessment made or determined by the DLGF, the county auditor shall correct an error described under items (6), (7), or (8) only after Form No. 133, Petition for Correction of Error, has been filed in duplicate by the owner of the property or his or her authorized representative and the petition is approved by at least two (2) of the following officials: the township assessor, the county assessor, and the county auditor. If two (2) of these officials do not approve such a correction, the county auditor shall refer the matter to the County Property Tax Assessment Board for determination. The County Property Tax Assessment Board shall provide a copy of the determination to the taxpayer and to the county auditor. A taxpayer may appeal a determination of the County Property Tax Assessment Board to the Indiana board for a final administrative determination. An appeal must be filed with the Indiana board not more than thirty (30) days after the determination by the County Property Tax Assessment Board. The Indiana board shall review the determination of the County Property Tax Assessment Board and send a final administrative determination to the taxpayer, the county auditor, the county assessor, and the township assessor. The certificate of error should not be issued until after the order of the Indiana board or Property Tax Assessment Board, approving the correction, has been received. IC 6-1.1-15-12

Question #50: Why don't SBOA and DLGF use the same fund numbers?

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QUESTIONS AND ANSWERS FROM COUNTY AUDITORS SPRING CONFERENCE (Continued)

Answer #50: State systems are not yet capable of this type of uniformity. It is still a future project.

Question #51: Has the SBOA legally determined if drain funds need to be appropriated?

Answer #51: After further research, we have amended our position that drainage maintenance, drainage construction, and drainage reconstruction funds require appropriation. It is our position that IC 36-2-9-14(d)(4) provides exception for these funds to the requirement in IC 36-2-5-2(b) that funds must be appropriated prior to disbursement.

Question #52: Is the county auditor's office required to have taxpayers, who files on-line homestead deduction forms, come to county auditor's office in order to verify the social security number and driver license number the taxpayer entered on the on-line homestead deduction form?

Answer #52: We are unaware of any statutory requirement for a county auditor to verify the social security number and driver license number on a homestead deduction application.

QUESTIONS AND ANSWERS FROM COUNTY AUDITORS FALL CONFERENCE

Question #53: If we pay a claim out of a fund line and then have a refund/reimbursement due to an error or refund (maybe someone failed to attend a meeting and fees were refunded); can that be credited back to that fund's line? Or does it have to be done through an additional?

Answer #53: Per IC 6-1.1-18-9, if a refund is made in the budget year that the money was expended due to an expenditure made in error or the payment was excessive then it may be returned to the fund's line. However, failure to attend a meeting does not mean that the expenditure itself was in error or excessive. In that case the money would require additional appropriation.

Question #54: What kind of proof is required for payroll of Election Board personnel (these are not part time or full time employees, so they don't fill out timesheets; they are board members and get more of a per diem, but can work various hours for the election)?

Answer #54: IC 5-11-9-4 provides that records be maintained showing which hours were worked each day by officers and employees of the county. This requirement can be met by preparing an endorsement on the payroll claim form showing the general work schedule and listing the specific employees who worked hours different from that general work schedule.

Question #55: Are the salary ordinances (usually done at budget time) still required?

Answer #55: Yes, IC 36-2-5-3(a) is still in effect. You will also find in the July 2013 specific suggestions in its implementation.

Question #56: In regards to the Recorder's Perpetuation Fund, would travel to out of state conferences be an eligible expense for "preservation of records"?

Answer #56: IC 36-2-7-10(d) states, in part: ". . . The county recorder may use any money in this fund without appropriation for the preservation of records and the improvement of record keeping systems and equipment. Money from the fund may not be deposited or transferred into the county general fund and does not revert to the county general fund at the end of a fiscal year."

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QUESTIONS AND ANSWERS FROM COUNTY AUDITORS FALL CONFERENCE (Continued)

Answer #56: (Continued)

If the conference is related to preservation of records (e.g. software training) we would not take audit exception.

Question #57: When a bidder is not awarded, are we supposed to return their bid bond to them immediately?

Answer #57: Yes. IC 36-1-12-4.5(c) states: "All checks of unsuccessful bidders shall be returned to them by the board upon selection of successful bidders. Checks of successful bidders shall be held until delivery of the performance bond, as provided in section 14(e) of this chapter."

Question #58: At the time the bids are awarded, how long does the awarded bidder have to get the check or bid bond to us? What happens if they don't get it to us?

Answer #58: IC 36-1-12-4.5(a) states:
"The political subdivision or agency:

(1) shall require a bond or a certified check to be filed with each bid by a bidder in the amount determined and specified by the board in the notice of the letting if the cost of the public work is estimated to be more than two hundred thousand dollars (\$200,000); and

(2) may require a bond or a certified check to be filed with each bid by a bidder in the amount determined and specified by the board in the notice of the letting if the cost of the public work is estimated to be not more than two hundred thousand dollars (\$200,000)."

So this should occur before the bid is awarded. The successful bidders bid bond or certified check is then held until the performance bond is delivered. If the bid bond is not provided at time that bid is received that would be considered not responsible.

IC 36-1-12-14(e) does not state when a performance bond is to be provided so you will need to consult with you attorney about what is reasonable timeframe.

Question #59: When someone is awarded a bid and issues a check instead of bid deposit, does this have to be a certified check or can we accept a personal check?

Answer #59: The contractor is required by IC 36-1-12-4.5 to submit either a bond or a certified check with each bid for projects.

Per IC 36-1-12-14(e), it must be a bond under \$250,000 and then the board may waive the bond and accept an irrevocable letter of credit for an equivalent amount from an Indiana financial institution approved by the department of financial institutions.

Question #60: During a recent audit we were instructed that EFT payments that the County makes are to be assigned a fictitious check number and posted to a fund that we are to newly create as a pass-through for electronic disbursements. This fund would then be included in the Treasurer's cash book as well. Is this how we are required to keep track of EFTs?

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QUESTIONS AND ANSWERS FROM COUNTY AUDITORS FALL CONFERENCE (Continued)

Answer #60: How the EFTs are accounted for within the records is a management decision. However, there must be a clear audit trail, the expenditures must go through the all the statutorily required approvals, must be separately identifiable, and must be properly supported by a claim and appropriate documentation.

Question #61: What enforcement authority does the State Board of Accounts have in cases where there has been a theft? Does the Attorney General collect on the cases?

Answer #61: All charge reports filed by the State Board of Accounts are referred to the Attorney General for enforcement and collection. The Attorney General's office has discretion to pursue collection and negotiate settlement of the charges in the report. Additionally, we report to the prosecutor as well as work with federal agencies.

Question #62: Are we still using the big Bidder's Record Book? Is there an SBOA approved form for this instead of the book?

Answer #62: Form 115, Bidder's Record is prescribed by the SBOA but if you wish to use an alternative please follow the process as detailed in the April 2014 county bulletin which describes the form approval process. Forms are no longer sent to the office for approval.

Question #63: Do Operation Pullover (federal grant) salary payments need to be reflected in the payroll records and included in the salary ordinance? Should the OPO salaries be paid from the general fund and then be reimbursed or should they be reflected in a separate fund? Does the separate OPO grant fund need to be appropriated?

Answer #63: When an employee of a county is being paid, whether with grant or county revenue sources, the compensation should be reflected in the salary ordinance and should go through the payroll records. The only exception to not being required to be in the salary ordinance is for those salaries of employees paid with IV-D incentive funds.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines for Counties, Chapter 1)

When you determine you will be receiving the grant, the new fund should be set up for disbursements to be made from the separate grant fund. Then when the reimbursement is received, the fund will show the appropriate receipts and disbursements for the grant. (County Bulletin, Volume 344, page 12)

You do need appropriation

Question #64: How do we handle a situation where the budget approved by the council was submitted in Gateway, but there were errors made in calculating salaries? May we un-submit/re-submit the budget in Gateway?

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QUESTIONS AND ANSWERS FROM COUNTY AUDITORS FALL CONFERENCE (Continued)

Answer #64: If you have submitted a form by mistake please contact the Department at gateway@dlgf.in.gov or at (317) 232-3777.

This will also impact the salary ordinance. Remember that if an elected official is involved that you will need to have the correct salary in place prior to January 1

Question #65: Vaccinations are paid for from the health department fund, and subsequently reimbursed. Currently, the County is appropriating funding for the vaccines, as the supply is diminished (doing additional appropriations). The reimbursements are believed to be coming from insurance, medicare, and Medicaid, as well as from individuals. Can a separate Non-Reverting Fund be established for the vaccines and collections?

Answer #65: No, per IC 16-20-1-27, fees shall be accounted for and transferred to the Health fund of the County. Insurance reimbursement for vaccinations paid from the health department fund should go back into that fund and would require appropriation.

Question #66: When a taxpayer has appealed and has a hearing with the PTABOA what is the required notice to the taxpayer when the hearing is set?

Answer #66: The PTABOA shall, by mail, give notice of the date, time and place fixed for the hearing to the taxpayer and the county or township official with whom the taxpayer filed the notice for review. See Ind. Code § 6-1.1-15-1(k). The PTABOA shall give at least thirty days notice.

Question #67: How long does a taxpayer have to file an objection when a school advertises a Capital Project Fund Plan?

Answer #67: IC 20-46-6-13 states: “ (a) In the first year that a plan is proposed, ten (10) or more taxpayers that will be affected by the adopted plan may file a petition with the county auditor of a county in which the school corporation is located not later than ten (10) days after the publication under section 12 of this chapter. The petition must set forth the taxpayers' objections to the proposed plan.

Question #68: If an office holder allows his or her employees a day off per week over and above any other county employee is allowed per county employee handbook, whis is this considered? Ghost employment?

Answer #68: In an audit we would look to the policy for compliance and would consider this an exception needing further explanation. Ghost employment is a legal term and for potential legal ramifications you should consult your county attorney.

Question #69: When I checked in at the hotel, I saw a number of county officials telling the person at check in that they are Starwood Preferred Guests. Can we do that? Years ago SBOA said we could not. Once SBOA looked at my hotel bills to make sure I was not receiving points as a preferred guest on county business.

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QUESTIONS AND ANSWERS FROM COUNTY AUDITORS FALL CONFERENCE (Continued)

Answer #69: Points, rewards, etc. earned as a result of county expenditure are property of the county. The business should be contacted to determine if there is a way for the county to receive the rewards and not the individual. These type of situations could also be addressed in the county's ethics policy.

Question #70: What would be the correct procedure for increasing an appropriation on an account line for a Title IV-D Incentive fund. We know this money does not need to be appropriated, however, the clerk pays part of a salary out of this fund and appropriates funds in each personal services pay line at the beginning of the budget year. One of the pay lines was under budgeted and is now showing in the red. There is plenty of money in the cash balance of the fund. Our procedure has always been to increase an appropriation by an additional. The clerk is refusing to sign the additional. We believe we need this authorization and paper trail in the auditors office to change or move any appropriations.

Answer #70: You are correct that this fund does not require appropriation. If an appropriation is being done solely for internal purposes of tracking salary allocation in this case, then the auditor could increase the appropriation.

Question #71: What is the interest % for tax refunds for pay 2014 and where can we look up those percentages?

Answer #71: This is found on the Indiana Department of Revenue website at www.in.gov/dor. The percentage is 3% for 2014 and 3% for 2015.

Question #72: Our hospital is going to give us a large amount of money. If we deposit this money to General fund will the 10% limit prevent us from transferring this to the rainy day fund?

Answer #72: Without knowing the reason the hospital is giving the county a large amount of money it is not possible to fully address this situation. If we assume no statutory requirement or any current local ordinance governing the funds *and* assuming there are no restrictions imposed by the hospital on the funds, the following positions would be applicable. If the funds are deposited to the General fund the 10% limit would apply. If, however, the board amends the rainy day fund to include these revenues the proceeds could be deposited directly to the rainy day fund. The authority for position can be found in IC 36-1-8-5.1.

Question #73: Our Commissioners used to look at all of the Accounts Payable Vouchers before approving them. The Commissioners do not do this anymore. They think it is the Auditor's Job to make sure every claim has no "issues" to be addressed and approve them on that basis. Is this Common Practice? Should it be addressed? If so, what suggestions do you have to help approach it the right way?

Answer #73: IC 5-11-10-1.6(c) states in part:
“(c)The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and

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QUESTIONS AND ANSWERS FROM COUNTY AUDITORS FALL CONFERENCE (Continued)

Answer #73: (Continued)

(5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim . . .”

The statute does not prescribe the manner that the claim is allowed by the governing board. It is not uncommon for a governing board to review claims on a claims docket presented for approval. It is up to really up to them how much risk they are willing to take in looking at the claims docket for approval and not each individual claim/APV. The auditor should voice their concerns about the inherent risk the commissioners are taking, work with them when there are possible concerns. With communication both the auditor and the commissioners can develop a plan for the type of claims detail they would like to brought to their attention. There might be a particular type of claim that they would want to review individually, such as large disbursements on contracts, credit card payments or unusual disbursements while relying on the claims dockets for routine costs for things like utilities or supplies. This would be a good time to discuss internal controls with the commissioners and the roles that the commissioners and auditors have.

Question #74: Is it correct to post the Juror's Pay from Personal Services, or should it be paid from Contractual Services. Also, what about Interpreter's pay, should this be paid from Contractual Services or Personal Services?

Answer #74: You would post the disbursements to the line item you have budgeted for payment of those services. If the Interpreter is under contract for services it would be appropriate to budget and pay from contracted services. There is additional guidance is provided in chapter 6 of the Auditor's manual:

Items Not Payable on Payroll Warrants

The following items are not considered to be compensation for personal services or do not represent payments to "officers and employees" of the county and, therefore, should not be paid on payroll warrants:

1. Mileage and travel expense allowances.
2. Per diem of jurors, compensation of pauper attorneys (unless serving as an officer or employee of the court), and witness fees.
3. Compensation of precinct election boards.
4. Payments to attorneys, engineers and other professional persons, when serving on a contractual basis, as distinguished from being an officer or employee of the county.

All of the foregoing items, as well as any other items not representing payments to county officers and employees for personal services, should be paid on regular county warrants and not on payroll warrants.

This is true even though the items might be budgeted under the personal services classification.

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QUESTIONS AND ANSWERS FROM COUNTY AUDITORS FALL CONFERENCE (Continued)

Question #75: How do we handle a situation where a sewer lien has been filed and certified to the county auditor, but the property owner has been paying the town directly. The property was up for tax sale, but was removed when notified of the payments to the town. How do we remove the sewer lien?

Answer #75: Per IC 36-9-23-33 the town is out of compliance with statute. The town should not have accepted any payments once the lien has been recorded and certified to the County Auditor. Statutorily, the amounts shown on the tax duplicate are still owed to the County and you will need to work with the town to reflect proper payments have been received. This would need to include all recording fees, certification fees, etc.

Question #76: Are we allowed to void checks which are in error? During a recent audit we were told we could never void a check.

Answer #76: Yes, it is appropriate to void checks which are printed in error. Voided checks should be marked as "void" and retained for documentation. Voided checks would be accounted for in the software according to the instructions of the software vendor.

Question #77: Can the Annual Financial Report filed on Gateway be re-submitted to correct errors so that beginning balances will be correct next year?

Answer #77: Yes, errors on the Annual Financial Report can be corrected and the Annual Financial Report can be re-submitted in Gateway so that beginning balances will be correct. However, if you upload your financial information from your software, all of the beginning balances will be overwritten by the upload. It is also important to note that starting in 2015, the ability to change the annual financial report after an audit will be severely limited. There will be information coming out about this change.

Question #78: Our council and commissioners are not currently covered by our healthcare plan. Can a commissioner be added to the plan and reimburse the county for the employer and employee cost of the premium?

Answer #78: The county attorney should be consulted regarding the legal ramifications and requirements under the Affordable Care Act and the definition of covered employees within the County's plan. The County's plan will also specify how the premiums are to be paid.

Question #79: Is it still required for the Township Trustees to give a copy of their annual reports to the county auditor's since it is now on Gateway? If so, how long must the Auditor keep the reports?

Answer #79: IC 36-6-4-12(d) states: "10 days after the legislative body's action under IC 36-6-6-9, the executive shall file a copy of the report and its accompanying vouchers, as adopted by the legislative body, in the county auditor's office. The legislative body may, for the benefit of the township, bring a civil action against the executive if the executive fails to file the report within ten (10) days after the legislative body's action. The legislative body may recover five dollars (\$5) for each day beyond the time limit for filing the report, until the report is filed."

This code section has not been amended since the implementation of Gateway.

You need to follow your retention schedule. If you have any questions please contact the Public Records Commission.

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Question #80: May the County Commissioners mandate the outsourcing of payroll to a payroll service such as ADP?

Answer #80: A County may contract with a payroll service. If there is a conflict about what roles county officials play in determining who has ultimate responsibility over the contract, contact the county attorney. Also remember that having a payroll service does not eliminate responsibility for overseeing payroll, determining that payroll amounts are correct and posted properly and that all payroll withholdings are properly recorded and remitted.

Question #81: Is the disabled Vet Form 128 still available? We were told not to use old form, but there is no option until a new form is done.

Answer #81: Yes, the 128 is available and should be used when the applicant owns property to which a property tax deduction may be applied under IC 6-1.1-12-13, IC 6-1.1-12-14, or IC 6-1.1-12-16. If no property is owned, the County Auditor's Affidavit should be used.

Question #82: Affidavit for Veterans who don't own property for their excise credit has to be notarized with the Auditor's signature. Can it be done by a Deputy Auditor? The Auditor is not always available.

Answer #82: Regarding Veteran's deductions, IC 6-6-5-5.2(f) states in part, "An individual claiming the credit must attach to the form an affidavit from the county auditor stating that the claimant does not own property to which a property tax deduction may be applied under IC 6-1.1-12-13, IC 6-1.1-12-14, or IC 6-1.1-12-16."

IC 36-2-16-3 states, "(a) A deputy appointed under this chapter may perform all the official duties of the officer who appointed him and is subject to the same regulations and penalties as the officer. (b) The officer appointing the deputy is responsible for all the official acts of the deputy."

Question #83: Should the Treasurer have access to the FTP site? Ours refuses to.

Answer #83: The Treasurer should have access to the FTP site in order to print or copy the Deposit Report each day. The Deposit Report is the source documentation for the Treasurer to post excise tax from the BMV. We will take audit exception to the Treasurer posting the cashbook based on the bank statements only and not using the Deposit reports from BMV. If the Treasurer does not access the site and arrangements are agreed upon between the two offices, the Auditor's office could print off the daily Deposit Reports and provide them to the Treasurer's office. It is easier to determine the variance between what the auditor has posted to the excise tax ledger and what is the Treasurer has posted to the Cashbook if the information from the Deposit report (Transaction date and report number) is used on the Treasurer's receipt.

QUESTIONS AND ANSWERS FROM COUNTY TREASURERS CONFERENCE

Question #84: What is the retention schedule for remotely captured checks or image transactions? At the 2014 Treasurer's Conference, it was indicated that the paper checks can be retained and then destroyed after 15 days.

Answer #84: The speaker was discussing banking standards and potential changes that the public records commission was going to make. Currently you must maintain of 3 years whether it be the original paper or scanned copy. This could be increased to 6 years. The timing of retention is under review by the Public Records Commission.

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QUESTIONS AND ANSWERS FROM COUNTY TREASURERS CONFERENCE (Continued)

Question #85: How do we record an investment purchase such as a municipal bond, which is purchased at a discount or premium? For example, if we purchase a government bond that is a \$1,000 bond, but there is a \$50 discount. So we actually are only paying \$950 for the purchase of the bond. (The County's records are on the Cash basis)

Answer #85: You would record the investment purchase at the dollar amount of the check you wrote. For example, if the check was for \$950 you would record the investment purchase at \$950. Any changes due to the premium or discount would be accounted for at interest received. When the investment is sold, the maturity value at \$1,000, you would record \$950 sale of investment and \$50 as interest income.

Please refer to the Manual for County Treasurers, Chapter 15 for information regarding the procedures for accounting for investments. Additionally, IC 5-13-9-1 and 5-13-9-2 have information on investment powers and the investment of funds held in securities.

Question #86: The additional 10% fees charged by the county on delinquent Sewer, Weed, and other Liens certified. How does that get apportioned?

Answer #86: When a 10% penalty is charge due to delinquency of a tax bill the 10% is distributed to the taxing units in the same manner as property taxes. This would include the assessment portion for sewer or weed liens.

Question #87: Our auditor insists on receiving money in her office. Is this allowable?

Answer #87: The auditor should not collect any receipts other than what is specifically required by statute. This is a statutorily segregation of duties whereby the auditor is charged with recording receipts and the treasurer with collecting. An article to this affect was sent out in March of this year and the auditors manual provides for the following.

This is addressed in the County Auditors Manual on page 6-17 as follows:

"All money payable to the county treasury must be received and deposited by the county treasurer. The only money the auditor is authorized to accept is fees for services, discussed in this section under "Auditor's Fees," which are deposited monthly with the treasurer.

All money, except for taxes and special assessments paid direct to the treasurer, shall be receipted into the records by the use of the four-part Form 20-21, "Combination Quietus, Application to Pay, Treasurer's Receipt and Auditor's Copy." This form, which serves as the media for posting to the fund ledger accounts, is sometimes referred to in this manual as an "application to pay and quietus," as a "quietus" and as a "receipt."

The April 2005 issue of the County Bulletin also addresses the receipt of money as follows:

"Payment of any money to the county, other than taxes, comes into the county treasury in the following manner: Mr. A. comes to the Auditor's office and states his intention to pay a certain amount for a certain purpose. The Auditor writes the "Quietus" and "Application to Pay" and gives the "Application to Pay" to Mr. A., who takes the same and his check or money to the Treasurer's office. [Some Auditors have found it advantageous to walk Mr. A. to the Treasurer's office to be sure the transaction is completed within the same day and all parties have their correct copy.] The Treasurer writes his "Receipt" to Mr. A. and keeps the application to pay and Mr. A. returns to the Auditor's office and surrenders the Treasurer's Receipt for the Auditor's "Quietus."

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QUESTIONS AND ANSWERS FROM COUNTY TREASURERS CONFERENCE (Continued)

Answer #87: (Continued)

The Auditor and Treasurer must be in agreement with respect to "Application to Pay" and Receipts." The application to pay must be written on the same day, immediately upon receipt of the money and turned over to the Treasurer at once. If the Auditor dates his "Application to Pay" on a given day and it is not presented to the Treasurer on the same date it is impossible for the Treasurer to balance with the Auditor that day.

The statute must be followed in this matter. Bear in mind that no transaction is complete until all the required steps are taken and properly recorded. At the close of each month the balance sheets of the Auditor and Treasurer should be compared in detail in order to avoid any irregularities arising from an improper or omitted posting."

Question #88: Is a local ordinance required for the treasurer to enter a payment plan for delinquent taxes in order to keep a property out of tax sale?

Answer #88: No, IC 6-1.1-24-1.2(c) and (d) provide that the auditor shall remove the property from the list if the county treasurer and the taxpayer agree to a payment arrangement. There is no mention of a local ordinance.

Question #89: By Indiana Law can a newly elected treasurer start their term of office with all new employees? While retaining no one currently employed?

Answer #89: IC 36-2-16-4 states: "Sec. 4. Each of the following county officers is entitled to appoint one (1) first or chief deputy, and also may appoint the number of other full-time or part-time deputies and employees authorized by the county fiscal body: (1) The county auditor. (2) The county treasurer. (3) The county recorder. (4) The county superintendent of schools. (5) The county sheriff."

However, an official also must consider employee policies and so should consult with the county attorney.

Question #90: Can bankruptcy or foreclosure cause problems for a new treasurer getting bonded?

Answer #90: Yes as these events may be part of the risk evaluation by the bonding company. The amendment to IC 3-8-2-7 requires as part of the declaration of the candidate that they understand they may be required to obtain and file a surety bond before serving in office. For details on the impact these events may have in obtaining a bond, the official should consult with prospective bonding companies.

Question #91: If a Title Transfer is being done on a mobile home, do the taxes have to be paid up for the year, although the buyer will be receiving their own parcel number? Also, if there is judgment on this Mobile Home, don't they have to be paid also before a transfer can be done?

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QUESTIONS AND ANSWERS FROM COUNTY TREASURERS CONFERENCE (Continued)

Answer #91: Yes, the taxes on the Mobile Home would need to be paid prior to the County Treasurer issuing a permit to transfer title.

IC 6-1.1-7-10 (c) states: "A county treasurer shall issue a permit which is required to either move, or transfer the title to, a mobile home if the taxes due on the mobile home have been paid. The permit shall state the date it is issued."

It would be our audit position that any judgments would also have to be paid prior to the County Treasurer issuing a permit to transfer title on a mobile home.

The County Treasurer's Manual Chapter 6 addresses, in part, the collection of taxes on mobile homes, as follows: "The collection of taxes on mobile homes shall be enforced by the treasurer using the same procedures that are followed to collect delinquent personal property taxes.", and "A county treasurer shall issue a permit which is required to either move or transfer the title to a mobile home if the taxes due on the mobile home have been paid. [IC 6-1.1-7-10] If a permit is to be issued after midnight, January 15, the taxes due and payable May 10 and November 10 of that year must be paid along with any taxes payable in preceding years before a permit can be issued."

Additionally, the County Treasurer's Manual Chapter 7 addresses the collection of delinquent personal property taxes.

Question #92: Our Auditor is interested in changing our taxation software. Are they required to submit an RFP for all companies to bid? I feel some companies are being left out of the consideration process. Should all vendors get a fair shot?

Answer #92: Competition is always a desired approach but the extent is dependent on the product desired.

IC 5-22-9 states, "Subject to the policies of the purchasing agency, a purchasing agent may award a contract using the procedure provided by this chapter." This section then goes on to describe the RFP process.

Special attention should be directed to the word "may" in this code. This code indicates the decision as to rather the RFP process is to be used is at the discretion of the purchasing agent.

If the cost of the software exceeds the amounts established in the public purchase law, bidding could be required.

There are also certifications of tax software where special purchasing laws may be appropriate as found under IC 5-22-10

When there are questions on the appropriate purchasing methods to be used, the county attorney should be consulted.

Question #93: If the County Auditor does not complete the required training, is there any repercussion?

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- Answer #93:** There is no penalty specified for failure to complete the training required by IC 36-2-9-2.5. This is where associations come in to play to encourage all of its members to participate in complying with statute. You probably would rather be self policing rather than have statutory penalties, though the legislatures may determine that penalties are needed if participation is not by the majority.
- Question #94:** We had a commissioner's sale in April. We had a gentleman that was the successful bidder on 16 properties. He called and said he does not want the properties. We told him that in that case, he owes the 25% civil penalty. To date he has not paid even after a letter from the treasurer and a telephone call from a sheriff's department investigator. Our prosecutor doesn't want to file this. He wants to know if any other counties have ever had to file.
- Answer #94:** IC 6-1.1-24-8 states "When one who purchases real property at a tax sale fails to pay the bid, the real property shall again be offered for sale. A purchaser who fails to pay the bid shall pay a civil penalty of twenty-five percent (25%) of the amount of the bid. The county prosecuting attorney shall initiate an action in the name of the state treasurer to recover the civil penalty. Amounts collected under this section shall be deposited in the county general fund." The prosecutor may want to consult with the Prosecuting Attorney's Council.
- Question #95:** Who is in charge of keeping duplicate books or CD's...auditor or treasurer?
- Answer #95:** IC 6-1.1-22-3(d) states: " The county auditor shall comply with the instructions issued by the state board of accounts for the preparation, preservation, alteration, and maintenance of the tax duplicate. The county auditor shall deliver a copy of the tax duplicate prepared under subsection (a) to the county treasurer when preparation of the tax duplicate is completed." So the treasurer must also help maintain
- Question #96:** My HR Director says if I receive a free gift from a vendor I must give it to her then at the Christmas party for employees she will announce that I gave it. So if I receive the TV today do I have to give it to my HR director?
- Answer #96:** This should be addressed in your county's personnel/ethics policy.
- Question #97:** Our Tax Sale Vendor has recommended any property on the sale be removed if for delinquent sewer liens only. If so, any chance we can have municipalities to stop certifying liens to us and get a collection agency to handle this enormous task of tracking sewages.
- Answer #97:** IC 36-9-23-33 provides for the collection of delinquent sewer liens, that they be certified to the county and collected as property taxes would be and that "...If a delinquent fee, penalty, service charge, recording fee, and certification fee are not paid, they shall be collected by the county treasurer in the same way that delinquent property taxes are collected." IC 6-1.1-24-1 provides the minimum amount that is eligible for tax sale and IC 6-1.1-24-1.2 the requirements for removal from tax sale.

Please note that under new legislation passed, municipalities can pass an ordinance for rental properties that do not impose liens on the property and develop other methods of collection delinquent sewage fees and penalties for these properties. This could reduce the number of delinquent sewage fees certified to the county. This is found under IC 36-9-23-25.

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QUESTIONS AND ANSWERS FROM COUNTY TREASURERS CONFERENCE (Continued)

Question #98: How should taxation paid by credit cards go on the cash book? Example: on 3/1 you receive \$1,000 credit card payment for property tax. The payments show up like this \$500 hits bank on March 4 and \$500 hits bank on March 5th. Should \$1,000 go on March 1 OR should \$500 go on March 4 and \$500 go on March 5th. Why?

Answer #98: The \$1,000 should be posted to the cash book on March 1-the day the payment was made.

In this example, March 1 is the day the payment received once the credit card payment was approved. Because the funds do not hit the bank until the 4th and 5th, the \$1,000 is a reconciling item between the cash book and the bank in the same manner as a deposit in transit would be.

Question #99: Involving Internal Controls: With a tiny staff and way too much to do-how can any Treasurer ever initiate Real Internal Control? We simply don't have enough hands to do our minimum work?!! Who can blame our office when we are ripe for fraud being short handed

Answer #99: It is very important that you protect both your employees and your County's assets. Good internal controls help you do that. It is important that adequate segregation of duties are implemented whenever possible. With a small staff that becomes very difficult, however segregation of duties is not the only internal control available to you. Compensating controls need to be implemented when you cannot provide adequate segregation of duties.

There are five components of internal controls: the control environment, risk assessment, control activities, information and communication and monitoring.

The tone at the top should be established by the Treasurer regardless of the size of the office. The Treasurer should also perform risk assessment whenever they feel that their office is 'ripe for fraud' and determine what controls can help prevent that fraud. Information and communication is established by the Treasurer for offices of two or twenty, your staff needs to know what is expected from them and what controls should be in place.

Examples;

Control Activities

- 1) Separate cash drawers for each person collection payments and daily reconciliation of the those cash drawers to the daily collections.
- 2) Reconcile daily with the Auditor's office if at all possible. (note the State Treasurer and State Auditor reconcile daily and those offices do not go home from the day until they are reconciled)
- 3) Do not accept any unidentified variances. For any reconciliation all differences need to be identified.
- 4) Reconcile cash book daily. Have a second employee check the reconciliation.
- 5) Develop expectations of revenues and compare collections to your expectations. Use some other form of analysis for collections.

QUESTIONS AND ANSWERS FROM COUNTY TREASURERS CONFERENCE (Continued)

Answer #99: (Continued)

Risk Assessment

- 6) Network with other Treasurers, especially with other Treasurers who have small offices to learn best practices and controls put in place. D

Information and Communication

- 7) Encourage an environment of open communication with all employees.

Monitoring:

- 8) Make sure everyone takes a vacation and someone else performs that employees duties while they are on vacation.
- 9) If one person consistently performs a function in the office, switch up the duties occasionally or have the Treasurer perform the function occasionally to check how procedures are being handled.
- 10) Spot check performance.

Contact us if you need additional assistance in understanding possible controls.

QUESTIONS AND ANSWERS FROM COUNTY CLERKS CONFERENCE

Question #100:Can you explain why the auditor moved the clerk's office into CAGIT instead of general fund?

Answer #100: CAGIT had been put into the general fund. To properly account for CAGIT activity CAGIT is now required to be receipted and expended in a separate fund. Some counties budget certain operating costs out of CAGIT as well as general. If your office was budgeted using CAGIT funding sources you will notice this change.

Question #101:My County Auditor moved the Clerk's budget from the General Fund to the CAGIT fund. So when the law addresses that the reimbursements from the Supplemental certified mailing should go to the fund from which the expenditure comes, shouldn't it go to the CAGIT fund? My County Auditor says only CAGIT should be receipted to CAGIT.

If our entire Clerk's budget is paid out of the CAGIT fund, does the postage money received get posted to CAGIT fund or to General?

Answer #101: CAGIT is not addressed in the statute. IC 33-32-2-10 provides that if it comes from general fund then it is reimbursed to general fund. The question really becomes one of fund accounting. CAGIT is a special revenue fund and should be reflecting the expenditure activity of CAGIT. Those items intended to be paid with CAGIT funds. When there is a known activity that will result in continuous reimbursement, then CAGIT is not the intended source of funding for that expenditure and now the expenditure activity as well as the revenue activity is distorted. Would we take exception to occasional immaterial reimbursements to CAGIT. No. But for continuous activity such as this there could be an exception and the county should consider budgeting for this under general fund. This would be a concern for the county auditor and council. From your prospective it isn't really going to matter as no matter where it is reimbursed to it will need to be re-appropriated.

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QUESTIONS AND ANSWERS FROM COUNTY CLERKS CONFERENCE (Continued)

Question #102: Can the fiscal body of the county after approving the budget for the year go back months later and amend the salaries of some employees for a big raise?

Answer #102: Yes. IC 36-2-5-13 states:

“ (a) Except as provided in subsection (b), the compensation of an elected county officer may not be changed in the year for which it is fixed. The compensation of other county officers, deputies, and employees or the number of each may be changed at any time on:

(1) the application of the county fiscal body or the affected officer, department, commission, or agency; and

(2) a majority vote of the county fiscal body.”

Question #103: Can money in clerk's record perpetuation fund be used for items for elections. Such as electronic poll books, printers, cases, etc.

Answer #103: It would depend on the item. IC 33-37-5-2 provides that the perpetuation fund be used for the preservation of records, the improvement of record keeping systems and equipment, and case management system.

You would need to be able to show us that the item expended for was in keeping with this statute.

Question #104: When an attorney serves as a mediator and the mediation fees are ordered reduced to a judgment, are the payments reported as proceeds for 1099 purposes?

Answer #104: This is an IRS question generally I would refer you to Raelane Hoff with the IRS but she is on special project and so the number for state and local government is 1-877-829-5500.

Question #105: If we have unclaimed property under \$3 do we put those monies in our new fund? Administrative fee-overpayments?

Answer #105: No, IC 33-37-12 is for actual overpayments of what is required and that overpayment of up to \$3 would be put into the clerks perpetuation fund. If you have a correct payment of trust money it would be turned over to unclaimed property as appropriate.

Question #106: What is the process to be followed after certification of a remonstrance petition related to a school corporation?

Answer #106: Whether you are talking about a controlled project under IC 6-1.1-20 or reissuance of bonds under IC5-1-5-2.5, IC 6-1.1-20-3.5(b)(10) has the process to be followed.

You will need to request phase II forms from us

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QUESTIONS AND ANSWERS FROM COUNTY CLERKS CONFERENCE (Continued)

Question #107:Our County is using a collection agency to collect old unpaid traffic tickets. Can we charge current fees and costs for these tickets or do we need to charge the costs that were in place at the time the ticket was issued.

Answer #107: Costs to be collected must be the ones that were in place at the time the tickets were issued. You cannot assign current court costs to old citations. The only additional charge that may be collected is a late payment penalty.

Question #108:Can we charge a fee for the registration of bail agents?

Answer #108: Since the statute requires registration in the office of the county sheriff and with the clerk of the circuit court but does not prescribe a fee, this would be part of the operation of those offices.

Question #109:What percentages are used to determine disposition of bail bond forfeitures?

Answer #109: Please refer to the July 2012 County Bulletin page 9.

Question #110:Does the salary ordinance need to include payments made to employees out of incentive funds?

Answer #110: It has been our position for some time and continues to be that no, IC 31-36-4-23 requires county council approval only for increases or supplementing elected officials' salaries but not for employees. Case law of *Plummer v Hegal* 535 N.E 2d 568 (Ind. Ct. App. 1989), held that additional salary from incentive payments may be made for prosecutors and their staff without county council approval. We searched for additional case law and found none relating to this subject. The only change to IC 31-25-7-23 subsequent to the case law was the provision that increases for elected officials' salaries did require the approval of county council.

This position does not conflict with the DCS draft guidelines for bonuses dated October 28, 2013 that address the process/documentation that DCS requires of their subrecipient which in part is to be compliant with OMB Circular A-87. It states in part: "Bonuses, tuition, and student loan payments/reimbursements to employees are allowable expenditures, and retro-active claiming of these benefits prior to an established written policy is unallowable. The policy must be inclusive of all employees (IV-D and Non IV-D).

In addition, the expenditures must be allocated to the Federal grant consistently according to how those individual employees' other benefits, salaries and wages are charged to the Title IV-D program CFDA # 93-563 and other non IV-D activities.

Additional information may be found in the Questions and Answers section of the July 2013 County Bulletin (Volume 388, Page 8).

Question #111:We received some Extradition Fees, where should those be posted?

Answer #111: The only fees we are aware of related to extradition are late surrender fees in connection with surety bonds.

IC 27-10-2-12(i) states, "Fifty Percent (50%) of the late surrender fees collected under this chapter shall be deposited in the police pension trust fund established under IC 36-8-10-12 and the remaining fifty percent (50%) shall be deposited in the county extradition fund established under IC 35-33-15." The fund #s on the chart of accounts are 5501 and 1155 respectively.

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QUESTIONS AND ANSWERS FROM COUNTY CLERKS CONFERENCE (Continued)

Question #112: May an elected official also be employed in another position in the county? What if they do not show up for their elected position?

Answer #112: Statute is specific as to when an official may not hold another position as with dual office holding (IC 3-8-1-3), a guide for which may be found on the Attorney General's website or IC 3-5-9-1. However, even when these are not met we would not recommend as an elected official is an elected official 24/7 with those inherent duties and responsibilities of that office. Potential conflicting internal control issues, prioritization issues, salary issues, etc. are a real risk no matter how far removed another position might seem as well as public perception issues.

Elected officials are not required to be physically present at their office; however, they are always responsible for the functions of their office.

Question #113: Should late surrender fees be collected incrementally:

Answer #113: IC 27-10-2-12(d) states in part: "...All late surrender fees are due as of the date of compliance with subsection (b) or three hundred sixty-five (365) days after the mailing of notice required under subsection (a)(2), whichever is earlier..."

Question #114: How do we track the number of cases that have supplemental certified mailings?

Answer #114: It will be up to each Clerk to develop a system for documenting how the amount being requested for reimbursement is supported. You want to ensure your system is adequate, complete, and fully supported to ensure your reimbursement is accurate. You may want to include a list of each of the cases, with mailing dates to support the reimbursement request, but essentially it will be up to each clerk.

Question #115: Our County issues service documents by signature confirmation in lieu of Certified Mail (IC 1-1-7-1). Does the new statute for reimbursement of certified mail costs apply to signature confirmation mail costs too?

Answer #115: IC 1-1-7-1 states in part: "If a statute enacted by the General Assembly or court rule requires that notice or other matter be given or sent by registered mail or certified mail, a person may use:

1. Any service of the US. Postal Service or any service of a designated private delivery service that:

(a) tracks the delivery of mail; and

(b) requires a signature upon delivery; or

2. Delivery by an employee of the unit of government sending the notice. "

If delivery confirmation does not meet the requirements of number 1 or number 2 above, delivery confirmation cannot be used to comply with IC 1-1-7-1.

HEA 1347 allows the clerk to charge after the first mailing for the cost of additional mailings for the cost of additional mailings that are requested by a party. Please clarify that the requested mailing is by certified or registered mail

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QUESTIONS AND ANSWERS FROM COUNTY CLERKS CONFERENCE (Continued)

Question #116: Please clarify that the mailing referred to in HEA 1347 presentation refers to requests for service by certified or registered mail, not regular first class mail.

Answer #116: Yes it is certified or registered mail as defined under IC 1-1-7-1.

Question #117: How will clerks know what to charge? Cost will vary depending on weight.

We have an outside mail service-they pick up our mail and attach postage. We would have no idea what that 2nd mail cost would be.

Answer #117: You should be able to work with your mail service to make a reasonable determination of the cost. For example if there is a basic rate but then a cost for additional weight your vendor should be able to provide cost information such as variation of weight by envelope size, number of pages, etc.

Question #118: If an attorney attached 2nd mail cost on an envelope and it is not enough to cover mailing it will be returned to clerk for additional postage due, how would we handle this?

Answer #118: You need to establish a policy in your office.

We had several questions about when to consider a mailing initial and when to consider it a second mailing eligible for reimbursement under IC 33-32-2-10. An advisory was provided by the State Court Administration dated August 8, 2014 which we have reproduced on the following page.

Question #119: If we receive a bad check and we are successful in getting payment, are we still required to report to the county prosecutor?

Answer #119: Bad checks are to be reported to the prosecuting attorney within 90 days of receipt. Notification is not required if collection is made prior to the 90 day deadline.

Question #120: Presently the IRS deposits recording fees into our checking account. When we record the IRS lien, we choose "electronic transfer" instead of cash or check. How do we process recording fees for IRS liens if we change to depositing daily at the Treasurer's office?

Answer #120: You will have to notify the IRS that they are to EFT to a "County Treasurer" bank account. Then when you determine that the money is deposited you will record as EFT that day which will allow posting at the county auditor's office and provide the county treasurer to reflect these as quietus that day. We recommend you complete a separate Report of Collection for these EFT deposits with the county treasurer.

Question #121: Are we required to sell bulk images?

Answer #121: IC 36-2-7-10.1 defines bulk user and bulk form. Bulk form means a copy of all recorded documents received by the county recorder in a day, week, month, or year and the indices for locating these documents. Bulk user is an individual, corporation, etc. that purchases bulk form copies. If a person requests the copies of documents that meet the definition of a bulk user then you will charge them in accordance with the bulk copy statute.

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QUESTIONS AND ANSWERS FROM COUNTY RECORDERS CONFERENCE

Question #122:Do we have to do film backups if documents are on computer with backup?

Answer #122: A backup is necessary but there are no additional requirements for film.

Question #123:When recording the tax deed can we clear the fee and put a comment on the receipt "Fee collected by the county auditor, see attached receipt."

Answer #123: Yes.

Question #124:Why does a "State" audit allow transfer of cash from the Recorder's Perpetuation Fund to County General Fund.

Answer #124: Accounting Standards would not allow permanent transfers of cash between funds. Therefore, unless there is a specific statutory authority for the transfer it should not be made. An audit is not 100% assurance that the County has complied with laws and regulations. An audit involves sampling and testing and will not find all errors and noncompliance.

Question #125:What is the difference between the report of collections and a quietus?

Answer #125: The quietus is a receipt type document that is given by the county auditor to a person depositing monies to the county auditor for deposit with the county treasurer. The report of collections acts as a deposit ticket to the county auditor with the monies for deposit so that the county auditor can properly post the deposit to the fund(s).

Question #126:What is the proper usage of the enhanced access fund?

Answer #126: Per IC 5-14-3-8.3 the fund requires appropriation by ordinance. It is to be used for replacement, improvement, and expansion of capital expenditures and / or the reimbursement of operating expense incurred in providing enhanced access.

Question #127:Is the original copy of a UCC filing required to be maintained after it has been scanned and recorded?

Answer #127: We find no Indiana Code requiring the maintenance of the original filing after recording. IC 36-2-17-3 states in part: photographic recording of documents has the same force as recording of documents by handwriting, typewriter, or handwriting on partly printed pages. IC 26-2-8-111(a) states if a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in that record that: (1) accurately reflects the information... and (2) remains accessible for later reference.

Question #128:If we maintain accounts receivable from title companies and are having some uncollectible accounts, what action do we take?

Answer #128: The statutes require the recorder to collect specific fees for services. If the recorder decides not to collect those fees at the time service is rendered, the recorder must collect these fees by the end of the elected term.

Question #129:Can I, as Recorder, request an audit for my office or another county office?

Answer #129: If there are specific concerns with your office or another office which require immediate attention such as suspected fraud or problems reconciling you should report these concerns to the State Board of Accounts.

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QUESTIONS AND ANSWERS FROM COUNTY RECORDERS CONFERENCE (Continued)

Question #130: If we have a notary in our office, is it proper for the notary to notarize documents brought into the office?

Answer #130: If the recorder wishes to provide this service then a person who is also a notary public may be assigned this function as part of their duties. However, the person cannot be paid any additional compensation by the persons requesting notary public services. If the office wishes to charge additional fees for notarizing documents there would need to be a home rule ordinance authorizing a fee reasonably resembling the cost of providing the service that the county incurred.

Question #131: We have concerns over procedures for reconciling when you accept credit card payments.

Answer #131: There will be transaction statements for credit card payments that should support the reconciliation function. There will be timing differences from the time you take the credit card and the time that money is deposited in the county's bank account. These differences in timing are handled as reconciling items just like outstanding check and deposits in transit.

Question #126: Do we have to charge other county departments and governmental units for recording documents such as liens, easements, etc.?

Answer #126: There are limited exceptions to the required fees in IC 36-2-7-10, IC 8-23-23-1, IC 10-17-2-3, IC 12-14-16-10 and IC 8-23-7-31. You will have to review these statutes for the specific document and service requested. Additionally, we are not aware of any exception for other county departments within the same county other than possibly the county highway department. However, we do not take exception during an audit to the county recording documents for the county itself without payment of fees.

GASB STATEMENT NO. 68

Indiana State Board of Accounts and Indiana Public Retirement System

GASB Statement No. 68 – Accounting and Financial Reporting for Pensions

Questions and Answers

Q: Who is impacted by GASB Statement No. 68?

A: GASB Statement No. 68 directly impacts GAAP basis (economic resources measurement focus and accrual basis of accounting) employers. Non-GAAP (regulatory, etc.) basis employers will be indirectly impacted as the Indiana State Board of Accounts (SBoA) will provide direction with what will be required to be included with your financial statements. Additionally, any employer may be subject to the audit of their payroll and census (birthday, sex, etc.) data by the Indiana Public Retirement System's (INPRS) auditor, regardless of their basis of accounting.

Q: When is GASB Statement No. 68 effective?

A: *GASB Statement No. 68 becomes effective for fiscal years beginning after June 15, 2014 and is an amendment to GASB Statement No. 27. For most employers in the state of Indiana, the requirements of GASB Statement No. 68 will be effective for fiscal year ends ending June 30, 2015 or December 31, 2015.*

Q: Will GASB Statement No. 68 cause contribution rates to increase?

A: *No. GASB Statement No. 68 does not impact the funding policies of pension plans.*

Q: What are the primary requirements of GASB Statement No. 68?

A: *GASB Statement No. 68 significantly changes the accounting and financial reporting regarding pension plans for GAAP basis employers. Some of the primary changes impacting GAAP basis employers are:*

- *Employers are required to record their proportionate share of the net pension liability or asset in their financial statements.*
- *Changes the calculation of the pension expense to be reported by employers and requires the recording of deferred inflows and outflows of resources in their financial statements.*
- *Replaces many of the current note disclosures and required supplementary information to be provided in employer financial statements.*

Q: How are employers to obtain the required information to be reported?

A: *The Indiana Public Retirement System (INPRS) plans to prepare stand alone employer schedules of allocations and amounts, which should provide the required information by plan. The Indiana State Board of Accounts and INPRS plan to provide training and spreadsheets to assist employers. Details on how the stand alone employer schedules of allocations and amounts will be communicated are in process.*

Q: Will the testing of payroll and census data required by the recent AICPA Whitepaper have any impact on employers (see Whitepaper at: www.aicpa.org/interestareas/governmentauditquality/resources/gasbmatters/downloadabledocument/s/aicpaslqep_cs_census_data_whitepaper.pdf)?

A: *Potentially yes. The auditor of INPRS will select a sample of employers from each defined benefit plan to test the payroll and census data provided by employers to INPRS. Employers could be contacted to assist with the audits of their census data as early as May of this year.*

Q: Where can employers obtain information about GASB Statement No. 68 and its implementation?

A: *GASB has an implementation toolkit at:*

www.gasb.org/jsp/GASB/Page/GASBSectionPage&cid=1176163527940

Q: Who do I contact with any questions?

A: *If you have any questions, please contact Dawn Anderson with the Indiana State Board of Accounts at dranderson@sboa.in.gov or (317) 232-2513.*