REMINDER OF ORDER OF BUSINESS

April

3 Good Friday – Legal Holiday (IC 1-1-9-1)
15 Members of Tax Adjustment Board to be appointed before this date in counties that have not abolished such board. (IC 6-1.1-29-2)
20 Last day to report and make payment of balance of State and County Income Tax withheld in March to Indiana Department of Revenue.

21, 22, & 23 State Board of Accounts called meeting for County Recorders - Indianapolis

30 Last day to file quarterly report of federal withholding tax with Director of Internal Revenue Service.

May

1 Prepare report of school funds to Auditor of State and make payment of principal and interest due to Treasurer of State on the Common and Permanent Endowment Funds, and pay the Treasurer of State all fines and forfeitures on hand April 30, 2014, as shown in this report. (IC 20-42-1-6)
11 First installment of property taxes due. (IC 6-1.1-22-9)
15 On or before May 15 is the last regular day for filing applications for tax exemption by Churches, Educational and Charitable organizations. (IC 6-1.1-11-3)

Period for normal filing of personal property schedules ends. (IC 6-1.1-1-7)

Before May 16, of each even numbered year, the County Auditor shall provide to the County Assessor a list by taxing district of property for which a tax exemption was in effect for the preceding year. (IC 6-1.1-11-5)

20, 21 & 22 State Board of Accounts called meeting for County Auditors – Indianapolis

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

25 Memorial Day – Legal Holiday (IC 1-1-9-1)

June

1 Last date for filing County Highway Annual Operational Report with the State Board of Accounts and other governmental agencies. (IC 8-17-4.1-7)

On or before June 1 the County Auditor will certify the name and addresses of persons who have money due them from the County to the County Treasurer for determining if such persons owe delinquent property taxes. (IC 6-1.1-22-14)
REMINDER OF ORDER OF BUSINESS
(Continued)

June (Continued)

On or before June 1 the County Treasurer will provide to the Auditor of State, Indiana Department of Transportation, and any state institution or state school a list of persons who owe delinquent property taxes and are believed to have money due to them from that agency. (IC 6-1.1-22-16)

15 Before June 16 of each even numbered year the County Assessor is to give notice to tax exempt organizations which failed to file an application for exemption of property tax for which an exemption was effective for the previous year, if application must be filed for the exemption under IC 6-1.1-11-3.5. (IC 6-1.1-11-5)

20 Last day to report and make payment of State and County Income tax withheld in May to Indiana Department of Revenue.

On or before this date complete settlement and distribution of taxes collected by the County Treasurer since the last settlement. Prepare settlement sheet to be submitted to Auditor of State for approval and make distribution of funds due local governmental units and the Treasurer of State by June 30. (IC 6-1.1-27-1 & IC 6-1.1-27-3)

27 State Board of Accounts called meeting for County Council - Shelbyville

30 Last day for County Treasurer to certify list of real property eligible for tax sale to County Auditor if May 10 first payment due date.

On or after January 1 of each calendar year in which a tax sale will be held in a county and not later than 51 days after the first tax payment due date in that calendar year, the County Treasurer is to certify the list of real property eligible for tax sale to the county auditor. (IC 6-1.1-24-1)

30, July 1 & 2 State Board of Accounts called meeting for Clerk of the Circuit Courts – Indianapolis

ELECTRONIC FUNDS TRANSFER FOR TRANSACTION OF COUNTY BUSINESS

IC 5-13-5-5 states: "(a) The fiscal body of any political subdivision (County Council) may by ordinance or resolution authorize the proper legal officers of the political subdivision to transact the political subdivision's business with a financial institution or a public pension or retirement fund administered by the Indiana public retirement system through the use of electronic funds transfer.

(b) The ordinance or resolution must:
   (1) specify the types of transactions that may be conducted by electronic funds transfer; and
   (2) require the proper officers to maintain adequate documentation of the transactions so that they may be audited as provided by law."

We would suggest the minimum documentation from the bank to record the transaction could be in the form of a letter, deposit slip, fax etc…and must contain at a minimum:

1. the date of the transaction
2. a description to identify the type of transaction, and
3. the amount of the transaction
COUNTRIES WITH TAX ADJUSTMENT BOARD

The county board of tax adjustment is composed of seven members to be selected in the manner set forth in IC 6-1.1-29-1. While it is not a statutory duty of the County Auditor to do so, it would be proper to remind those persons whose duty it is to appoint members of this board that a complete selection must be made before April 15 as required.

1 member of the county council shall be chosen by said council;

1 member to be designated by the Mayor of the largest city in the county or may be the Mayor; or in case of no incorporated city, a member of the fiscal body of the largest incorporated town, to be selected by the fiscal body;

1 member of the governing body of the school corporation, located entirely or partially within the county, which has the greatest taxable valuation of any school corporation of the county, to be appointed by the governing body;

4 members appointed by the board of county commissioners. These members must be residents and freeholders of the county.

The entirety of IC 6-1.1-29 should be reviewed so that the Auditor may familiarize himself/herself with the required duties.

COUNTRIES ELECTING NOT TO HAVE A TAX ADJUSTMENT BOARD

IC 6-1.1-29-9 states: "(a) A county council may adopt an ordinance to abolish the county board of tax adjustment. This ordinance must be adopted by July 1 and may not be rescinded in the year it is adopted. Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 20-45 (before January 1, 2009) IC 20-46, IC 12-19-7 (before January 1, 2009), IC 12-19-7.5 (before January 1, 2009), IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4, and IC 36-9-13, if such an ordinance is adopted, this section governs the treatment of tax rates, tax levies, and budgets that would otherwise be reviewed by a county board of tax adjustment under IC 6-1.1-17.

(b) The time requirements set forth in IC 6-1.1-17 govern all filings and notices.

(c) If an ordinance described in subsection (a) is adopted and has not been rescinded, tax rate, tax levy, or budget that otherwise would be reviewed by the county board of tax adjustment is considered and must be treated for all purposes as if the county board of tax adjustment approved the tax rate, tax levy, or budget. This includes the notice of tax rates that is required under IC 6-1.1-17-12."

QUALIFICATION OF NEWSPAPERS (IC 5-3-1-0.4)

A newspaper must be either a daily or weekly, semi-weekly, or tri-weekly newspaper of general circulation, has been published for at least three (3) consecutive years in the same city or town, entered, authorized and accepted by the United States Postal Service for at least three (3) consecutive years as mailable matter of the periodicals class and which has at least fifty percent (50%) paid subscriptions or other purchasers at a rate that is not nominal.
APPLICATION TO PAY

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 Auditor's 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."

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.

OLD OUTSTANDING WARRANTS (IC 5-11-10.5)

All warrants outstanding and unpaid for a period of two or more years, as of the last day of December of each year are void. This law further provides that the treasurer, not later than March 1, shall prepare a list in triplicate of all such warrants, showing the date of issue of each warrant, the fund upon which it was drawn, the name of the payee, the amount of the warrant, and the total amount of the warrants for each fund. The original copy of such list shall be filed with the county board of finance, the duplicate with the county auditor and the triplicate copy retained by the treasurer. Upon receipt of such list, the county auditor shall issue an application to pay, receipt and quietus for such warrants, in the same manner as for any other receipt, and the warrants shall be removed by the treasurer from the outstanding list.

If a warrant or check is presented for payment that has been cancelled, the holder shall file a claim with the county auditor. If the auditor finds the claim in order he may issue another warrant. However, warrants outstanding for more than seven (7) years are void and no recovery is possible.

CRIMINAL HISTORY INFORMATION

Local law enforcement agencies may, on request for release or inspection of a limited criminal history, do the following:

(1) Require a form, provided by them, to be completed. The form shall be maintained for a period of two (2) years and shall be available to the record subject upon request.

(2) Collect a three dollar ($3) fee to defray the cost of processing a request for inspection.

(3) Collect a seven dollar ($7) fee to defray the cost of processing a request for release. However, law enforcement agencies may not charge a fee for requests received from the parent locator service of the child support bureau of the division of family and children.

Local law enforcement agencies shall edit information so that the only information released or inspected is information which has been requested and is limited criminal history information. (IC 10-13-3-30)
CRIMINAL HISTORY INFORMATION – (Continued)

A local home rule ordinance would be required to enable a county law enforcement agency to collect such fees. All monies should be deposited in the county’s general fund unless otherwise stated in the ordinance.

FINANCING PUBLIC WORKS PROJECTS OF NOT MORE THAN TWO MILLION DOLLARS ($2,000,000)

IC 36-9-41 allows counties to borrow the money necessary to finance a public work project under two million dollars ($2,000,000) from a financial institution in Indiana by executing a negotiable note under IC 36-9-41-4. A county shall provide notice of its determination to issue the note under IC 5-3-1. Money borrowed is chargeable against the county’s constitutional debt limitation.

A county borrowing money under IC 36-9-41-3 shall execute and deliver to the financial institution the negotiable note of the county for the sum borrowed. The note must bear interest, with both principal and interest payable in equal or approximately equal installments on January 1 and July 1 each year over a period not exceeding six (10) years.

The first installment of principal and interest on a note is due on the next January 1 or July 1 following the first tax collection for which it is possible for the county town to levy a tax.

The county shall appropriate an amount for and levy a tax each year sufficient to pay the obligation under the note according to its terms.

An obligation of a county or town under the note is a valid and binding obligation of the county notwithstanding any tax limitation, debt limitation, bonding limitation, borrowing limitation, or other statute to the contrary.

IC 36-9-41-6 through IC 36-9-41-8 set out the provisions for taxpayers to file a petition against the issuance of such note.

OMB CIRCULAR A-133 REQUIREMENTS

The Single Audit Act and the Office of Management and Budget (OMB) Circular A-133 and Reforms place significant responsibilities on the recipient of federal awards. We suggest you study this summary carefully and disseminate the appropriate information to those individuals in your organization that will be impacted.

Governmental units who expend at least $500,000 in federal expenditures, including grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsides, insurance, food commodities, direct appropriations, and other assistance.

Threshold

The current threshold for a single audit will be $500,000 in federal expenditures, including grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsides, insurance, food commodities, direct appropriations, and other assistance. [Sec 200, 205]
OMB CIRCULAR A-133 REQUIREMENTS (Continued)

Auditee Responsibilities

Responsibilities placed on the recipient of federal awards. The unit is required to do the following [Sec.300];

(a) Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.
(b) Maintain internal control over Federal programs that provides reasonable assurance that the unit is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.
(c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.
(d) Prepare appropriate financial statements, including the Schedule of Expenditures of Federal Awards.
(e) Ensure that the audits required by this part are properly performed and submitted when due.
(f) Follow up and take corrective action on audit findings, including preparation of a Summary Schedule of Prior Audit Findings and Corrective Action Plan

Data Collection Form

The Data Collection Form summarizes the results of the audit and is to be submitted to the Federal Clearinghouse. The clearinghouse uses the form as a central database of information for all A-133 audits performed in the U.S. The auditee and the auditor are to complete and sign the appropriate sections of the Data Collection Form. [Sec 320(b)] The State Board of Accounts will complete the form, but the governmental unit must certify the form once it is complete. This is done electronically on the clearinghouse’s website. State Board of Accounts provides instruction via email to help you complete this process.

Summary Schedule of Prior Audit Findings and Corrective Action Plan

The government unit is responsible for follow-up and corrective action on all audit findings. This includes the unit preparing the following [Sec. 315]

1. Summary Schedule of Prior Section III Audit Findings, if any were reported in the prior audit report, and
2. Corrective Action Plan for current year audit findings, if any were reported.

NOTE: Both of these schedules and the audit report will be included in the reporting package. As such, the Summary Schedule of prior Audit Findings must be completed by the unit and made available to the field examiner very early in the audit and the Corrective Action Plan must be completed by the end of the audit or soon thereafter.

Pass-Through Entity Responsibilities

Circular A-133 places certain responsibilities on those entities that pass federal awards through to other governmental entities or not-for-profit corporations. The most significant of those responsibilities require you to [Sec. 400(d)];

(1) Identify Federal awards made by informing each subrecipient of CFDA title and number, award name and number, award year, if the award if Research & Development, and name of Federal agency.
(2) Advise subrecipients of requirements imposed on them by federal laws, regulations, and the provisions of contracts or grant agreements, as well as any supplemental requirements imposed by the pass-through entity.
OMB CIRCULAR A-133 REQUIREMENTS (Continued)

Pass-Through Entity Responsibilities (Continued)

(3) Monitor the activities of subrecipients as necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulations and provisions of contracts or grant agreements and that performance goals are achieved.

(4) Ensure the subrecipients expending $500,000 or more in Federal awards during the subrecipients Fund year have not the audits requirements of this part for that fiscal year.

(5) Issue a management decision on audit findings within six months after receipt of the subrecipients audit report and ensure that the subrecipient takes appropriate and timely corrective action.

Subrecipient Monitoring

As stated above, if your governmental entity passes federal awards through to other governmental entities or not-for-profit corporations, you are responsible for monitoring the activities of the subrecipient to ensure that the program requirements are being met. The preamble to Circular A-133 recognizes that many pass-through entities will no longer be able to use the Single Audit reports as the primary tool to monitor subrecipients due to the $500,000 threshold. They will need to review their overall subrecipient monitoring process, and decide what, if any, additional monitoring procedures such as on-site visits, reviews of documentation, supporting requests for reimbursement may be necessary to ensure subrecipient compliance. OMB expects pass-through entities to consider various risk factors in developing subrecipients monitoring procedures, such as the relative size and complexity of the Federal awards administered by subrecipients, prior experience with each subrecipient, and the cost-effectiveness of various monitoring procedures.

We recommend that the governmental unit have a formal subrecipient monitoring plan, preferably in written form, for all federal programs which pass federal monies through to subrecipients. The monitoring plan should identify the procedures the governmental unit has in place to monitor the activities of the subrecipient to ensure that the program requirements are being met. Such monitoring plans could include for instance, formal procedures to request subrecipients to provide written documentation supporting requests for reimbursements and the procedures the governmental unit uses to review such documentation, the capture, timing, and extent of on-site visits, etc.

Requests by Federal Agency

A federal agency is allowed to request that a particular program be audited as a major program [215(c)]. Such a request must be made to the auditee at least 180 days prior to the end of the fiscal year to be audited. If a federal agency has made such a request, please inform the State Board of Accounts field examiner at the beginning of the audit.

A federal agency is also allowed to request that certain federal programs not be considered low-risk, which would virtually guarantee that program being audited as a major program [520(c)(2)]. Such a request must also be made to the recipient of federal awards, and to the auditor, if known, within 180 days prior to the end of the fiscal year to be audited. This type of request must be approved by the U.S. Office of Management and Budget (OMB). If the OMB has approved such a request, please inform the State Board of Accounts field examiner at the beginning of the audit.

Reform

The requirements surrounding Federal assistance programs have been reformed by the federal government. This reform included the revision and consolidation of several OMG circulars which set out requirements related to federal assistance programs. These new requirements can be found in the Code of Federal regulations at 2 CFR Part 200. This can be viewed at www.ecfr.gov. The requirements of these reformed regulations are effective for any new Federal awards or additional funding to existing awards received after Dec, 26, 2014, for the following subparts:
OMB CIRCULAR A-133 REQUIREMENTS (Continued)

Reform (Continued)

Subpart A - Acronyms and Definitions
Subpart B – General Provisions
Subpart C – Pre-Federal Award Requirements and Contents of Federal Awards
Subpart D – Post Federal Award Requirements
Subpart E – Cost Principles
Subpart F – Audit Requirements is applicable to audits of fiscal years beginning on or after December 26, 2014

Further information on the revised regulations can be found at https://cfo.gov/csfar. This site includes resources for understanding the changes to regulations, as well as a webcast series explaining the changes.

3% ADMINISTRATIVE FEE ON PROBATION USER’S FEE COLLECTIONS

IC 35-38-2-1 states, “If a clerk of a court collects a probation user’s fee, the clerk: (1) may keep not more than 3% of the fee to defray the administrative costs of collecting the fee and shall deposit any fee kept in the clerk’s record perpetuation fund.”

In our opinion, if probation user fees are withheld from bonds that the clerk is entitled to the 3% just as well as if they had come directly to your office to pay.

SALES TAX REIMBURSEMENT FOR LODGING

Lodging for individuals in hotels and motels is not exempt from state sales tax. Therefore, reimbursements for lodging in travel stats will include state sales tax. We will not take an audit exception to employees being reimbursed for sales tax on lodging.

PAYROLL ISSUES

We received many calls in the month of January from County Officials with questions regarding payroll. For both elected officials and employees, we hold the following audit position. Payroll should be processed in accordance with the salary and wage ordinance and the county’s written policy of compensation and benefits. During an audit of payroll, we are looking to see that the payment amount that an official or employee received is in accordance with what has been authorized on the salary ordinance. Each salary or wage payment should be clearly tied to the period of service for which the payment is being made. If questions arise concerning the payment for service, there should be sufficient documentation to ascertain the periods of service performed and the corresponding payment for that period of time. Any paid time off should be granted in compliance with the county’s policy and adequately documented.

Payments should not be made in advance of services provided. As an example, if a newly elected officer or a newly hired employee begins work on January 1, they should not receive a payment for a full bi-weekly pay period during the first week of January after working only a few days. If such a payment is issued and the employee leaves employment before the full service is performed, we would expect to see a reimbursement to the county by that employee.
PAYROLL ISSUES (Continued)

We would not take audit exception to payments made in arrears or encumbrances of those payments in
arrears. Based on that position, we also would take audit exception if an elected officials’ annual salary is not
completely paid within a calendar year. Although we recommend using a 26 bi-weekly amount or 52 weekly
amounts, on the salary ordinance, if an annual salary amount is used and the amount is divided into 26 or 52 equal
pays, there should be a policy in place on how salaries will be prorated for partial years. There should also be a
policy in place for dealing with years that have 27 pay periods.

The county council should, at its annual budget meeting, adopt a salary ordinance fixing the salaries of
county officers, deputies, assistances and employees. This ordinance is separate from the budget ordinance. The
Form 144 completed as part of the budget process is not the salary ordinance. The salary ordinance is a separate
and distinct ordinance and should in no way be combined with the ordinance for appropriations.

STATE REVOLVING FUNDS (SRF)

The Indiana Finance Authority (IFA) receives Capitalization grants from the Environmental Protection
Agency (EPA). This grant funding is receipted to the State’s SRF account. The SRF account also receives State
matching payments and loan repayments from participants in the SRF program. The SRF account is used by the
State to provide low interest loans to Indiana communities for projects that improve the wastewater and drinking
water infrastructure.

Because a portion of the funding the State uses for these projects is federally funded, the federal portion of
the SRF funding must be included on the Schedule of Expenditures of Federal Awards (SEFA) that is part of the
annual financial report. The IFA will notify each unit that receives SRF funding the amount of the funding that is
federal and needs to be included on the SEFA. As part of the contract with the IFA for the SRF project, the County
will have to establish accounts with the Bank of New York as trust accounts for the construction account (proceeds
from the SRF funding) and the debt service accounts for the repayment of the loan. Although the IFA retains
control, the County must account for these trust accounts on the County records. In the Fall Auditor’s conference
we had informed you that the funds did not need to be included on the annual financial report, however that
information was incorrect. The construction accounts and debt service accounts do need to be included on the
annual financial report. In addition, the County needs to be sure the debt is included on the debt schedule.

The County Auditor may keep a separate ledger to account for the construction funds and the debt service
funds. The ledgers should be reconciled to the monthly trust statements from the Bank of New York. The ledgers
can then be used at year end to complete the SEFA and to complete a Supplemental Annual Financial Report.
The information on the Supplemental Annual Financial Report will be added to the Annual Financial Report
completed on Gateway. An example of a sample ledger for the SRF construction account was provided at the
Auditor’s Fall Conference and may be obtained from the State Board of Accounts website. www.in.gov/sboa.
AMOUNTS AUTHORIZED TO BE RECEIVED BY SHERIFFS FOR BOARD OF PRISONERS

By authority of IC 36-8-10-7, I Paul D. Joyce, CPA, State Examiner of the State Board of Accounts, do hereby fix the exact amount per meal which the sheriff of each county in the State of Indiana, shall be entitled to receive for feeding prisoners legally in his charge, including Federal prisoners, for a period of one year, beginning April 15, 2015. Amounts received by the sheriff from the Federal government for board and care of Federal prisoners shall be paid into the County General Fund.

In determining and fixing the amount per meal, the use of wholesome food in quantities and varieties necessary for the preservation of the health of the prisoners is contemplated. All expenses related to preparing and serving meals, except for the costs of food, shall be borne by the county.

The amounts fixed are for meals actually served such prisoners during each respective month. Not more than three meals at county expense are to be served to any one prisoner in any one day.

The term “month” shall mean a period of time beginning April 15, 2015 and thereafter ending on the fourteenth (14th) day of each succeeding month. Claims for meals for the month beginning December 15th will be paid from the appropriation for the succeeding year.

For number of meals served during a period of one month, per meal:

<table>
<thead>
<tr>
<th>County Population Range</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 20,000</td>
<td>$1.92</td>
</tr>
<tr>
<td>20,001 to 40,000</td>
<td>$1.86</td>
</tr>
<tr>
<td>40,001 to 60,000</td>
<td>$1.78</td>
</tr>
<tr>
<td>60,001 to 80,000</td>
<td>$1.57</td>
</tr>
<tr>
<td>80,001 to 100,000</td>
<td>$1.33</td>
</tr>
<tr>
<td>100,001 to 200,000</td>
<td>$1.21</td>
</tr>
<tr>
<td>200,001 or over</td>
<td>$1.14</td>
</tr>
</tbody>
</table>

The following counties will not be allowed the amounts authorized above:

- Allen
- Lake
- Marion
- Vanderburgh

Dated this 31st day of March, 2015

Paul D. Joyce, CPA
State Examiner