

**TOWNSHIP BULLETIN
AND UNIFORM COMPLIANCE GUIDELINES
ISSUED BY STATE BOARD OF ACCOUNTS**

Volume 319, Page 1

December 2017

ITEMS TO REMEMBER

DECEMBER

- December 1: On or before June 1 and December 1 of each year (or more frequently if the County Legislative Body adopts an ordinance requiring additional certifications) the Township shall certify a list of the names and addresses of each person who has money due from the Township to the County Treasurer. [IC 6-1.1-22-14]
- December 14: Last day for the Department of Local Government and Finance to accept additional appropriation requests for the 2017 budget year.
- December 25: Legal Holiday - Christmas Day. [IC 1-1-9-1]
- December 31: All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. [IC 5-13-6-1(e)]

JANUARY

- January 1: Legal Holiday - New Year's Day. [IC 1-1-9-1]
- January 1: Set up the Financial and Appropriation Record for the year 2018, by bringing forward the fund (cash) balances at the close of the year 2017 and entering appropriations as finally adopted and approved for 2018.
- January 2: Annual meeting of township board to organize by electing one member as chairman and one member as secretary for the year. (First Tuesday after first Monday in January.) [IC 36-6-6-7]
- January 15: Assessment date for mobile homes defined in IC 6-1.1-7-1. [IC 6-1.1-1-2]
- January 15: Last day to make pension report and payment for fourth calendar quarter by townships participating in PERF.
- January 15: Legal Holiday - Martin Luther King, Jr.'s Birthday. [IC 1-1-9-2]
- January 2-31: Members of the township board are to meet to organize as a township board of finance by electing one member as president and one member as secretary, each for a period of one year. During the annual meeting the investment officer shall make a written report to the investing officer's local board of finance summarizing the township's investments during the previous calendar year. The report must contain the name of each financial institution, government agency or instrumentality, or other person with whom the township invested money during the previous calendar year. The local board of finance shall do the following at the meeting:
- (1) Review the report.
 - (2) Review the overall investment policy of the political subdivision. (After the first Monday and on or before the last day of January.) [IC 5-13-7-6, IC 5-13-7-7]

**TOWNSHIP BULLETIN
and Uniform Compliance Guidelines**

Volume 319, Page 2

December 2017

ITEMS TO REMEMBER

(Continued)

- | | | |
|---------|-----|---|
| January | 31: | All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. [IC 5-13-6-1(e)] |
| January | 31: | Last day to provide each employee with a W-2. |
| January | 31: | Last day to file quarterly 941 report for last quarter of 2016 with Internal Revenue Service. |
| January | 31: | Last day to file The Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R), with the State Board of Accounts, in Gateway. Navigate to https://gateway.ifionline.org to file the 100-R. Be sure to indicate the name and business address of the township and the name of the county on the form. [IC 5-11-13-1] |
| January | 31: | Last day to make report for last quarter of 2017 to the Department of Workforce Development. |

FEBRUARY

- | | | |
|----------|-----|--|
| February | 12: | Legal Holiday – Lincoln’s Birthday. [IC 1-1-9-1] |
| February | 19: | Legal Holiday – Washington’s Birthday. [IC 1-1-9-1] |
| February | 20: | Last day for the annual meeting of the township board for the purpose of receiving, auditing and approving the Annual Report, (On or before the third Tuesday after the first Monday in February.) [IC 36-6-6-9] |
| February | 28: | All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. [IC 5-13-6-1(e)] |
| February | 28: | Last day to file withholding statement together with Yearly Reconciliation of Employer's Quarterly Tax Returns with Social Security Administration and Indiana Department of Revenue, respectively. |

MARCH

- | | | |
|-------|----|---|
| March | 1: | Last day to file 2017 Annual Financial Report (AFR), in Gateway, with the State Board of Accounts. Navigate to https://gateway.ifionline.org to file the AFR. [IC 5-11-1-4] |
| March | 1: | Last possible day for a unit to hold its first public hearing and present appropriate information before adopting an ordinance or resolution to enter into or form a fire protection territory. IC 36-8-19-6 |

**TOWNSHIP BULLETIN
and Uniform Compliance Guidelines**

Volume 319, Page 3

December 2017

ITEMS TO REMEMBER

(Continued)

- | | | |
|-------|-----|---|
| March | 1: | Deadline for each political subdivision to submit annual report to the Department of Local Government Finance in the Debt Management application of Gateway for any outstanding bonds or leases (as of January 1). IC 5-1-18-9 |
| March | 1: | Last day for political subdivisions to report to the Department of Local Government Finance information and data on their retiree benefits and expenditures. IC 36-1-8-17.5 |
| March | 3: | Last day for trustee to file the copy of the Annual Report, as approved by the township board, together with the 2017 vouchers, in the office of the county auditor (ten (10) days after the meeting of the township board on February 20). [IC 36-6-4-12] |
| March | 21: | Last day to publish the abstract of receipts and expenditures required by IC 36-6-4-13. In addition to the abstract, the publishing must state that a complete and detailed annual report and the accompanying vouchers showing the names of persons paid money by the Township have been filed with the County Auditor, and that the Chairman of the Township board has a copy of the report that is available for inspection by any taxpayer of the Township. |

STATE BOARD OF ACCOUNTS CALLED MEETINGS

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

- Ivy Tech - Public Safety Academy January 29, 2018
7602 Patriot Crossing
Fort Wayne, IN

- Ivy Tech - Northwest January 30, 2018
3100 Ivy Tech Drive
Valparaiso, IN

- Ivy Tech – Hamilton County January 31, 2018
300 N. 17th Street
Noblesville, IN

- Ivy Tech – Southern Indiana February 7, 2018
8204 Highway 311
Sellersburg, IN

- Vincennes University-Green Activities Center February 8, 2018
120 W. Harrison Street
Vincennes, IN

The meetings will begin at 9:00 am EST with registration beginning at 8:00 am. No preregistration is required or available. Many items pertaining to our examinations of Townships will be discussed at the meeting. In addition, there will be a special group of SBOA field examiners that will be available to answer questions about submitting the Annual Financial Report (AFR) and assist in fixing in-depth problems, such as reconciling, etc... So feel free to come with questions and bring records that you are having trouble with. Please have your AFR complete or as finished as possible before asking AFR related questions.

**TOWNSHIP BULLETIN
and Uniform Compliance Guidelines**

Volume 319, Page 4

December 2017

PROPERTY TAX ADVANCES

Please be advised of the availability of a property tax distribution advance to help avoid overdrawn funds and cash flow problems.

IC 5-13-6-3 States in part (b) "Every county treasurer who, by virtue of the treasurer's office, is the collector of any taxes for any political subdivision wholly or partly within the county shall, not later than thirty (30) days after receipt of a written request for funds filed with the treasurer by a proper officer of any political subdivision within the county... advance to that political subdivision a portion of the taxes collected before the semiannual distribution. The amount advanced may not exceed the lesser of: (1) ninety-five percent (95%) of the total amount collected at the time of the advance; or (2) ninety-five percent (95%) of the amount to be distributed at the semiannual distribution. (c) Upon notice from the county treasurer of the amount to be advanced, the county auditor shall draw a warrant upon the county treasurer for the amount. The amount of the advance must be available immediately for the use of the political subdivision. (d) At the semiannual distribution all the advances made to any political subdivision under subsection (b) shall be deducted from the total amount due any political subdivision as shown by the distribution. (e) If a county auditor fails to make a distribution of tax collections by the deadline for distribution under subsection (b), a political subdivision that was to receive a distribution may recover interest on the undistributed tax collections under [IC 6-1.1-27-1](#)."

THE INDIANA OPEN DOOR LAW

Townships should be aware that a township is included in the definition of "public agency" in IC 5-14-1.5-2. Except as provided for executive sessions, all meetings of the governing body must be open at all times for the purpose of permitting members of the public to observe and record them. A secret ballot vote may not be taken. IC 5- 14-1.5-3

IC 5-14-1.5-4 states "(a) A governing body of a public agency utilizing an agenda shall post a copy of the agenda at the entrance to the location of the meeting prior to the meeting. A rule, regulation, ordinance, or other final action adopted by reference to agenda number or item alone is void. (b) As the meeting progresses, the following memoranda shall be kept: (1) The date, time, and place of the meeting. (2) The members of the governing body recorded as either present or absent. (3) The general substance of all matters proposed, discussed, or decided. (4) A record of all votes taken, by individual members if there is a roll call. (5) Any additional information required under IC 5-14-1.5-3.5 or IC 5-14-1.5-2.5 or any other statute that authorizes a governing body to conduct a meeting using an electronic means of communication (c) The memoranda are to be available within a reasonable period of time after the meeting for the purpose of informing the public of the governing body's proceedings. The minutes, if any, are to be open for public inspection and copying."

IC 5-14-1.5-5 states in part concerning public notice of meetings "(a) Public notice of the date, time, and place of any meetings, executive sessions, or of any rescheduled or reconvened meeting, shall be given at least forty-eight (48) hours (excluding Saturdays, Sundays, and legal holidays) before the meeting. This requirement does not apply to reconvened meetings (not including executive sessions) where announcement of the date, time, and place of the reconvened meeting is made at the original meeting and recorded in the memoranda and minutes thereof, and there is no change in the agenda. (b) Public notice shall be given by the governing body of a public agency by: (1) posting a copy of the notice at the principal office of the public agency holding the meeting or, if no such office exists, at the building where the meeting is to be held; and (2) delivering notice to all news media which deliver not later than December 31 an annual written request for such notices for the next succeeding calendar year to the governing body of the public agency. The governing body shall give notice by one (1) of the following methods: (A) Depositing the notice in the United States mail with postage prepaid. (B) Transmitting the notice by electronic mail. (C) Transmitting the notice by facsimile (fax). If a governing body comes into existence after December 31, it shall comply with this subdivision upon receipt of a written request for notice. In addition, a state agency (as defined in IC 4-13-1-1) shall provide electronic access to the notice through the computer gateway administered by the office of technology established by IC 4-13.1-2-1.

THE INDIANA OPEN DOOR LAW
(Continued)

(c) Notice of regular meetings need be given only once each year, except that an additional notice shall be given where the date, time, or place of a regular meeting or meetings is changed. This subsection does not apply to executive sessions. (d) If a meeting is called to deal with an emergency involving actual or threatened injury to person or property, or actual or threatened disruption of the governmental activity under the jurisdiction of the public agency by any event, then the time requirements of notice under this section shall not apply, but: (1) news media which have requested notice of meetings must be given the same notice as is given to the members of the governing body; and (2) the public must be notified by posting a copy of the notice according to this section. (e) This section shall not apply where notice by publication is required by statute, ordinance, rule, or regulation. (f) This section shall not apply to: (1) the department of local government finance, the Indiana board of tax review, or any other governing body which meets in continuous session, except that this section applies to meetings of these governing bodies which are required by or held pursuant to statute, ordinance, rule, or regulation; or (2) the executive of a county or the legislative body of a town if the meetings are held solely to receive information or recommendations in order to carry out administrative functions, to carry out administrative functions, or confer with staff members on matters relating to the internal management of the unit. "Administrative functions" do not include the awarding of contracts, the entering into contracts, or any other action creating an obligation or otherwise binding a county or town. . . . (h) Notice has not been given in accordance with this section if a governing body of a public agency convenes a meeting at a time so unreasonably departing from the time stated in its public notice that the public is misled or substantially deprived of the opportunity to attend, observe, and record the meeting."

IC 5-14-1.5-3.1 concerning violations of the open-door law for a series of meetings provides that (1) One (1) of the gatherings is attended by at least three (3) members but less than a quorum of the members of the governing body and the other gatherings include at least two (2) members of the governing body. (2) The sum of the number of different members of the governing body attending any of the gatherings at least equals a quorum of the governing body. (3) All the gatherings concern the same subject matter and are held within a period of not more than seven (7) consecutive days. (4) The gatherings are held to take official action on public business. For purposes of this subsection, a member of a governing body attends a gathering if the member is present at the gathering in person or if the member participates in the gathering by telephone or other electronic means, excluding electronic mail. Further sections provide authority for court actions to be filed by citizens for violations; define public records and provide penalty clauses for violations, remedies, costs and fees.

TOWNSHIP TELEPHONE, CELLULAR, AND INTERNET EXPENSES

We have received numerous inquiries about the reimbursement of telephone, cellular, and internet expenses. Our prior audit position stated that these services should only be reimbursed up to 50% of the cost of the services if the services were not strictly restricted to Township use. Effective October 5, 2017, we have modified our position that we will take into consideration a personal phone and internet reimbursement policy that is approved by the Township Board. If there is a policy adopted by the Township Board and presented to us that allows the Trustee a full reimbursement of these expenses, even though the use of these services was not restricted to Township use, we would not take exception.

IC 36-6-8-3 states in part: "The annual appropriation to a township executive for the expenses of renting an office and telephone...expenses must, as nearly as possible, be equal to the actual cost of those items. If the township executive uses a part of the executive's residence for an office, the township legislative body shall appropriate a reasonable sum for that office space."

IC 12-20-5.5-3 states in part: "The township trustee shall ensure adequate access to township assistance services, including a published telephone number in the name of the township."

**TOWNSHIP BULLETIN
and Uniform Compliance Guidelines**

Volume 319, Page 6

December 2017

TOWNSHIP TELEPHONE, CELLULAR, AND INTERNET EXPENSES
(Continued)

Documentation should be retained to provide evidence that the personal phone number has been provided to the public as the contact number for the Township office. Common examples of acceptable documentation would include: a copy of the listing in a telephone directory, signage at the township office or a public building, listing on a governmental unit's website, etc. Using Township funds to pay for personal use of telephone, cell phone, or internet services without a documented and approved Township policy may be the personal obligation of the responsible official or employee.

FAILURE TO REPORT MISAPPROPRIATION OF FUNDS

IC 5-11-1-27(l) states: "A public officer who has actual knowledge of or reasonable cause to believe that there has been a misappropriation of public funds or assets of the public office, including: (1) information obtained as a result of a police report; (2) an internal audit finding; or (3) another source indicating that a misappropriation has occurred; shall immediately send written notice of the misappropriation to the state board of accounts and the prosecuting attorney serving in the area governed by the political subdivision."

If we become aware of instances where a unit has not promptly reported a known misappropriation of funds to our central office by telephone (317) 232-2513, by email schools.townships@sboa.in.gov, or our website <http://in.gov/sboa/4445.htm> we will take exception and place a noncompliance finding in the Township's next audit report.

ANNUAL FINANCIAL REPORT AND 100-R NOT FILED TIMELY

We want to remind all Townships that we will continue our practice of issuing subpoenas to the Trustee if the Certified Personnel Report (100-R) and the Annual Financial Report (AFR) are not filed timely in Gateway. The 100-R is due by January 31st and the AFR is due by March 1st.

The 2017 Annual Financial Report and 100-R must be filed through Gateway. To login to Gateway, please go to <https://gateway.ifionline.org/login.aspx> and enter your Gateway User Name (e-mail address) and Password.

Please be aware that any person who fails to file the Annual Financial Report as required by law commits a Class B infraction and forfeits office. Ind. Code § 5-11-1-10.

Indiana Code 5-11-1-4(a) states in part: "The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically . . ."

Please be aware that any person who fails to file the 100R Report as required by law commits a Class C infraction and is subject to impeachment or removal from office. Ind. Code § 5-11-13-3.

Indiana Code 5-11-13-1 states in part: "Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

INDEX TO
TOWNSHIP BULLETINS
VOLUMES 275 TO 315
(Symbol 312-2 Designates Volume 312, Page 2)

100R [Report of Names, Addresses, Duties, and Compensation of Public Employees].....	307-6
Access to Public Records.....	291-9
Accounting Systems	312-6
Affordable Care Act Penalties, Fines, or Tax	301-5
Advertising of Annual Report -vs- Budget	312-4
Annual Financial Report.....	307-7
Annual Reports.....	280-3
	283-5
	319-6
Annual Report (Township Form 15) - Filing by Computer Disk.....	291-7
Appropriations - Insurance Claim Proceeds	282-3
Appropriation Refunds	282-3
Approval of Accounting Forms and Systems	304-3
Assessing Expense.....	278-4
Assignment of Wages	296-2
Attorney General Official Opinion 90-10 - Notarial Acts	290-3
Attorney General Official Opinion 91-5 - Cemeteries.....	293-2
Bond Issues - Audits.....	287-3
Board - Attorney.....	295-3
Board Approval of Salaries.....	314-6
Board of Finance and Depositories.....	315-4
Bonds of Officers and Employees of the Department of Parks and Recreation.....	287-3
Building or Remodeling and Fire Equipment Fund (Cumulative Fire).....	315-5
Burial of Patients of State Psychiatric Institutions.....	282-6
Cash Balance -vs- Appropriation Balance	312-4
Capital Asset Records.....	299-5
Cancellation of Checks.....	301-4
Cellular Phones.....	283-4
Certification of Names and Addresses to County Treasurers	303-4
Compensatory Time - Fair Labor Standards Act	277-2
Computers and Internet Expenses.....	283-3
Conflict of Interest.....	304-2
Conflict of Interest Forms.....	309-3
Contracting Policy	302-5
Data Collection Form	280-2
Data Processing Services by a Bank.....	315-5
Depositories	295-4
Designation of Trustee.....	315-3
Disposition of Old Outstanding Checks	293-4
Donations.....	293-3
Dormant Fund Balances - Transfers Authorized	282-6
Election Board and Jury Duty.....	284-3
Elected Officials - Leave Policy	301-3
Emergency Medical Services.....	287-5
Encumbered Appropriations	303-4
Establishing Salaries of Township Offices and Employees.....	300-7
Establishing the Estimated Cost of Capital Assets	299-6
Examination of Trustee's Office.....	307-6
Failure to Report Misappropriation of Funds.....	319-6
Federal Tax Deposits - Electronic Funds Transfer	275-7
Filing of Annual Report and Vouchers in County Auditor's Office.....	303-6
Fire Protection Contracts with Volunteer Fire Departments.....	303-7
Fire Protection Territories.....	277-4

Food Stamp Distribution.....	286-3
Forms Prescribed by the State Board of Accounts.....	303-3
Frequent Comments Noted in Township Letters	305-2
GAO Independence Standard	300-9
Garnishment of Salaries and Wages	303-5
GASB Pension Reporting	305-4
Gateway Annual Report and 100R	300-8
Ghost Employment	300-6
Government Entities and Special Fuel Taxes	277-2
Group Insurance - Dependents of Employees.....	284-3
Guaranteed Energy Savings Contracts.....	293-5
Home Rule.....	284-4
IC 5-11-1-27(j)	311-4
Indiana Department of Revenue - Electronic Filing; Withholding	291-9
Indiana Open Door Law	319-4
Internal Control Suggestions	300-5
Internal Control Timeline (IC 5-11-1-27).....	312-5
Internal Controls	301-2
Internet.....	280-3
Issuing Duplicate Warrants.....	301-6
Lease Purchase Agreements	288-2
Leave of Absence - Officers and Employees who are Members of the Indiana National Guard or Reserves.....	282-4
Levy Excess Fund.....	297-2
Loans and Other Indebtedness	315-6
Local Government Public Records	308-2
Lucrative Offices - Dual Office Holding.....	298-5
Marion County Small Claims Court - SEA 523.....	311-7
Materiality Threshold (IC 5-11-1-27(j) & (l)).....	312-7
Membership Dues in Organizations.....	304-2
Mileage.....	304-3
Nepotism and Contracting (PL 135-2012, HEA 1005).....	301-9
Nepotism and Contracting Certifications.....	302-3
Nepotism Policy.....	302-4
New Laws Affecting Townships (2007).....	277-5
New Laws Affecting Townships (2008).....	281-2
New Laws Affecting Townships (2009).....	285-5
New Laws Affecting Townships (2010).....	289-2
New Laws Affecting Townships (2011).....	293-8
New Laws Affecting Townships (2012).....	297-5
New Laws Affecting Townships (2013).....	301-29
New Laws Affecting Townships (2014).....	305-6
New Laws Affecting Townships (2015).....	309-3
New Laws Affecting Townships (2016).....	313-5
New Law Repeals 3% Contractor Withholding.....	295-4
Official Bonds.....	311-3
Optical Imaged Checks.....	284-4
Partition Fences	287-4
Payment by Public Employers of Group Health Insurance Premiums.....	299-7
Payment of Claims - Electronic Funds Transfer	301-6
Payment of Employees during Absence from Work on Account of Compensable Injury	284-2
Payment of Funds Due Deceased Person.....	286-5
Payments to Banks of Compensation Due Employees	290-4
Penalties and Interest - Ways to Avoid.....	288-3
Procedure in Emergency Appropriations	309-2
Property Tax Advances.....	319-4
Public Employee Retirement Fund (PERF) Contributions	291-6
Public Nature of Records and Meetings	290-4
Public Purchases	306-3

Public Records.....	300-2
Public Works Under \$150,000.....	286-5
Public Works Versus Public Purchases	285-2
Purchase of Firefighting Apparatus and Equipment	285-3
Purchases of Computer Hardware and Software	306-3
Office and Telephone Expenses	288-2
Qualifying for Office - Oath.....	307-3
Qualifying for Office - Official Bonds	307-3
Rainy Day Fund.....	311-6
	314-4
Ransomware – How to Avoid.....	315-7
Rates for Legal Advertising.....	307-9
Receiving Township Property and Records from Predecessor	291-5
Record of Hours Worked.....	303-4
Rent and, Other Utility Costs in the Home	283-4
Reporting Irregular Variances, Losses, Shortages or Thefts of Local Government Funds or Property	298-3
Reporting of All Funds on the Annual Financial Report	307-7
Request to Destroy Public Records.....	308-5
Resolution Establishing Salaries of Township Officials and Employees (Twp Form No. 17)	310-3
Sales Tax - Exemptions	293-3
Senate Enrolled Act 67	313-4
Social Security Withholdings	303-7
Special Purchases	292-2
Spreadsheet Software Utilization to Generate Exact Replicas of Prescribed Forms.....	298-4
State Examiner Directive 2016-1.....	313-4
State Mileage Reimbursement Rate.....	310-4
	312-3
	314-5
Supplemental Distributions of CAGIT and COIT	278-3
Supplemental Security Income (SSI).....	287-3
Telephone, Cellular, and Internet Expenses.....	319-5
Temporary Loans.....	280-3
Transfers of Money from one Account to Another.....	282-3
Transition from Prior Trustee to Newly Elected Trustee	307-6
Travel Expense	307-8
Trustee Compensation	304-2
Vending Machine Commissions.....	276-2
Uniform guidance - 2 CFR Part 200	315-4
Worker’s Compensation	315-6