

The background features a large, faint watermark of the Seal of the State Board of Accounts, Indiana. The seal is circular, with the words "STATE BOARD OF ACCOUNTS" around the perimeter and "INDIANA" at the top. It contains a central figure holding a scale and a sword, surrounded by stars.

SBOA Update

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Contact Information



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Conferences



- IC 5-11-14-1
 - SBOA shall annually call a conference to Township Trustees and Township Trustee Elects
 - SBOA shall keep attendance of elected officials at each conference called and publish the attendance on the SBOA website
 - Elected officials **must** attend the annual conference called by SBOA a minimum of once every two years

Training



- IC 36-6-4-20(b)
- Applies to township trustees elected on or after November 5, 2023
- Must complete 14 hours of training courses in one year and 36 hours of training courses in three years

Training



- IC 36-6-4-20(c)
 - Township trustee first elected or appointed to office shall complete 5 hours of newly elected official training courses before taking office
 - These hours would count toward the hours required in section (b)
- IC 36-6-4-20(d)
 - Township trustee is required to fulfill the training requirements for each term the trustee is elected to the office

Training



- IC 36-6-4-20(g)
 - Township Trustee shall maintain written documentation of the training courses that the trustee completes
- IC 36-4-4-20(h)
 - Township Trustee shall certify completion of the requirements every year and file the certification with the SBOA

Township Firefighting and Emergency Services Fund
Township Firefighting Fund
Township Emergency Service Fund
Amended



- IC 36-8-13-4
- Township Shall ~~annually~~ establish either:
 - (1) Township Firefighting and Emergency Services Fund or
 - (2) two separate funds consisting of a Township Firefighting Fund and a Township Emergency Services Fund
- Township board shall approve a transfer of the remaining balance in the township firefighting and emergence services fund to the two separate funds

IC 5-14-3.8-3.5
Amended



- HEA 1328
 - Effective July 1, 2024
- Trustee shall upload any contract, **regardless of total cost**, if it is related to the provision of fire services or emergency medical services; or entered into with another unit or entity that provides fire services or emergency medical services
 - Must be uploaded within 60 days of the date the contract is executed
 - If a participating unit of a fire protection territory submits that agreement to establish the fire protection territory as required under this subsection, each of the participating units of the fire protection territory shall be considered to have complied with the requirements

Live Streaming and Archiving Meetings



- IC 5-14-1.5-2.9
 - Effective July 1, 2025
 - **Does not apply to executive session**
- Governing Body shall provide:
 - (1) Live transmissions of the governing body's meetings
 - (2) Archived copies of the live transmission and provide access by links to the meeting's agenda, minutes, and memoranda
 - (3) Include the website for live transmissions and archived copies of live transmissions in the meeting notice

Live Streaming and Archiving Meetings (Cont.)



• IC 5-14-1.5-2.9

- If a governing body does not have Internet capability for live transmission of meetings, the governing body shall record the meeting and retain the recording as provided in subsection (f)
- Shall make a copy of the transmission or recording available for public inspection and copying or downloading for at least 90 days after the date of the meeting



Compliance

Township Mergers



- Ways to merge:

1. Government Modernization IC 36-1.5-4

2. Cooperative Agreement IC 36-1.5-5

3. Interlocal Cooperation IC 36-1-7

Township Mergers – Things to Consider



- Why do you want to merge?
 - Eliminate costs?
 - Expand or provide better services?
 - More resources?
- How will it work?
 - Who will be **Trustee**?
 - How will the fire departments be **structured**?
 - What **personnel** will remain?
 - Do you have **funds for a financial and legal analysis**?
 - What **contracts** will be absorbed/maintained?
 - Do you own/lease **assets**? What assets should be disposed of?

Township Mergers – Other Items



- Townships merged need to be in same County.
- Cannot merge in an election year.
- All townships need to agree.
- Reach out to **DLGF** to understand what will happen to levies and reserve funds.
- Contact **County** Assessor, **State Agencies**, **IRS**, **IDOR** etc... to update their contact information.
- Contact **Debtors** to let them know who will assume obligations.

Township Mergers – Audit Considerations



- **Contact our office once a merger is complete.**
 - We can schedule close-out audits of dissolved townships and update our system/Gateway.
- **Keep merger documentation and any agreements.**
 - ALL records of dissolved townships must be kept by new entity until audited.
 - You can **contact the Indiana Archives and Records Administration (IARA) after the audit** for record retention guidelines.

Designation of Trustee IC 36-6-4-18



(a) Within thirty (30) days after taking office, **the executive shall designate a person who shall perform the executive's duties whenever the executive is incapable of performing the executive's functions** because the executive:

- (1) is absent from the township; or
- (2) becomes incapacitated.

The executive shall give **notice of the designation to the chair of the township legislative body, the county sheriff, and any other persons that the executive chooses**. The designee shall have all the powers of the executive. The executive is responsible for all acts of the designee. The executive may change the designee under this section at any time.

(b) The designee shall perform the executive's duties until:

- (1) the executive is no longer absent from the township; or
- (2) an acting executive is appointed by the county executive under section 16 of this chapter.

Designation of Trustee



- We have not received any Attorney General opinions indicating that a Trustee could appoint a board member as a designee.
 - Potential constitutional conflicts could exist concerning the holding of two lucrative offices.
- Official Opinion 87-22 discussed possibility of designating another Trustee.
- If any compensation is paid to the designee there may be a violation of Article 2, § 9 of the Constitution of Indiana.
- You should appoint someone who is a resident and not currently holding another lucrative office.

Official Bond



- Official Bond requirements:
 - Be payable to the State of Indiana IC 5-4-1-10
 - Approved by County Auditor IC 5-4-1-8
 - Filed with County Recorder within 10 days of issuance IC 5-4-1-5.1
- Amount shall be equal to **\$30,000** for each \$1,000,000 of receipts during the last complete fiscal year IC 5-4-1-18
 - Minimum = \$30,000
 - Maximum = \$300,000 (unless approved)

Lucrative Office



- *Attorney General's Dual Office Holding Guide:*
http://www.in.gov/attorneygeneral/files/Dual_Office_Holding_Guide_2010.pdf
- IC 3-5-9-5, Cannot be an Elected Official and an employee **of the same unit.**

Allowable Investments



- Allowable Investments IC 5-13-9
 - Money Market Funds
 - Repurchase Agreements
 - Certificates of Deposit
 - Others as defined in the statute
- Must be held at a **designated depository**
 - Unallowable → directly invest with an investment company that is not a designated depository.

Township Deposit Law



- Indiana Code 5-13-16-1(c) states in part: “...public funds collected by the township trustees shall be deposited in the designated depository on or before the **first and fifteenth day** of each month.”

Bank Accounts



- Located in Township IC 5-13-8-9
- Electronic payments IC 36-1-8-11.5
- Treasurer of State's Approved Depositories
 - <https://www.in.gov/tos/deposit/2377.htm>

Electronic Methods of Payment



- We have received questions about the use of electronic payment methods such as **Venmo or PayPal**.
- IC 36-1-8-11 allows Townships to collect payments via credit cards and other electronic methods.
- This form of payment **must be authorized by the Township board**.
- Develop a policy:
 - Only authorized employees should have the authority for the electronic method.
 - Still required to meet all receipting, timely recording, depositing requirements in statute and the Township manual.
- For audit purposes, we would recommend that you ensure that you can trace collections from the receipt to the bank deposit.

Credit Cards



1. The **governing board must authorize** credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and **use should be handled by an official or employee designated** by the board.
3. The **purposes** for which the credit card may be used must be specifically stated in the ordinance or resolution.
4. When the purpose for which the credit card has been issued has been accomplished, **the card should be returned** to the custody of the responsible person.

Credit Cards



5. Should **maintain an accounting system or log** which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned.
6. Credit cards should **not be used to bypass the accounting system**. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. **Payment should not be made on the basis of a statement or a credit card slip only**. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
8. If properly authorized, **an annual fee may be paid**.

Donations



- Public funds **CANNOT** be donated or given to other organizations or individuals unless specifically authorized by law.

Use of Funds Appropriated for Community Services



- IC 36-6-4-8(a) allows the township trustee to use the township's share of state, county, and township tax revenues for all categories of community services, if these funds are appropriated for these services by the township board
- The trustee may use the funds for both operating and capital expenditures
- IC 36-6-4-8(b) states with the consent of the township board, the township may contract with corporations for health and community services **not specifically provided by another governmental entity**

Overdrawn Cash Balances



- *The cash balance of **any fund may not be reduced below zero**. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)*

Temporary Loans



- "The fiscal body of a political subdivision may, by . . . resolution, **permit the transfer of a prescribed amount**, for a prescribed period, to a fund in need of money **for cash flow purposes** from another fund
IC 36-1-8-4
- Requirements
 - (1) It must be necessary to borrow money.
 - (2) There must be sufficient money on deposit.
 - (3) Must end during the budget year of the year in which the transfer occurs.
 - (4) The amount must be returned to the other fund at the end of the year.
 - (5) Only revenues derived from the levying and collection of property taxes or special taxes or from operation of the political subdivision may be transferred.

Rainy Day Funds (RDF)



- **Cannot** be transferred to RDF:
 - Township Assistance
 - Fire Protection Territory funds
 - Cemetery funds Conveyed under IC 23-14-64-3
- **Can** be transferred to RDF:
 - Township/General
 - Fire and Fire Cumulative
 - Local funds w/o restrictions
 - Park and Recreation*
- **Transfers limited to 10% of total budget IC 36-1-8-5.1**
15% allowed between 12/31/20 and 1/1/25

Advertising Requirements



- Open Door Law IC 5-14-1.5-5
 - Public Meetings → 48 hours notice (Sign/advertisement)
- Public Access Counselor
 - <https://www.in.gov/pac/>

Advertising Requirements (Continued)



- IC 5-3-1-2 (Publish in paper)
 - **Elections** – 10 days
 - **Sale of Bonds** – 15 days and 3 days before sale
 - **Receive bids** – **Twice** at least 1 week apart and 7 days before received
 - **Establish Cumulative/Sinking Fund** – **twice** at least 1 week apart and 3 days before hearing
- **AFR** – 4 weeks after third Tuesday following third Monday (**1 newspaper**)
- Budget information – refer to DLGF Budget and Tax Rate Calendar
 - If IC 5-3-1-3 not mentioned – follow 10 day requirement for other meetings that require publishing in the paper

Insurance Proceeds



- Receipt proceeds into the fund that would normally pay for the expense
- May add the amount of the insurance proceeds to existing appropriations if:
 - Funds are received as a result of damage to property and
 - Funds are appropriated for the purpose of repairing or replacing damaged property
- Only applies if the funds are expended to repair or replace the property within the 12-month period after they are received

Audit Costs



- Effective for examinations with field work beginning on or after July 1, 2023:

- Non-federal taxing unit - \$395 per day
- Technology fee - \$55 per day
- Processing fee - \$35 per day
- Full direct and indirect cost rate - \$968 per day

Procedures to Account of Audit Costs



- SBOA provides a certified statement to the County and pays the examination of record costs from the County General Fund
 - The Township receives a Statement of Engagement Costs **(This is not an invoice!)**
- The County General Fund is reimbursed from property tax collections of that township at the next semiannual settlement
- The Township is to receipt the full amount of property and excise taxes (before audit costs)
- A disbursement for the examination of records is to be posted to the township funds.
- The Statement of Engagement Costs should be compared to the amount withhold for the Examination of Records to ensure they agree

Internal Controls



Step 1:

1. Adopt minimum standards
2. Internal Control Training – IC 5-11-1-27

Step 2:

Create internal control policies!!

Internal Control Resources



- SBOA Internal Controls Standards webpage
 - www.in.gov/sboa/5072.htm and/or www.in.gov/sboa/4445.htm
- SBOA Internal Controls webinar
 - Embedded on above pages and can be found on YouTube:
 - <https://www.youtube.com/watch?v=L0N80PBbPHQ>
- Standards for Internal Control in the Federal Government (the Green Book)
 - www.gao.gov/assets/670/665712.pdf

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Resource Library



Questions?