

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

Volume 316, Page 1

March 2017

ITEMS TO REMEMBER

MARCH

- March 1: Last day to prepare, verify, and file the 2016 Annual Financial Report (AFR). The report must be in the form and content prescribed by the State Examiner and filed electronically via Gateway. [IC 5-11-1-4(a)]
- March 1: Last day to report to the DLGF information and data on your retiree benefits and expenditures. [IC 36-1-8-17.5]
- 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.
- March 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)]

APRIL

- April 14: Legal Holiday – Good Friday. [IC 1-1-9-1]
- April 30: 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)]
- Last day to file Employer's Quarterly Federal Tax Return (Form 941) with the Internal Revenue Service for federal and social security taxes.

May

- May 29: Legal Holiday – Memorial Day. [IC 1-1-9-1]
- May 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)]

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).

**TOWNSHIP BULLETIN
and Uniform Compliance Guidelines**

Volume 316, Page 2

March 2017

ADVERTISING

IC 5-3-1-3 applies when another statute requires meetings or notices to be published. If the statute that requires the meeting does not mention IC 5-3-1-3, then you would follow the requirements of the open door law (IC 5-14-1.5). Meetings that follow the requirements of the open door law would require notice posted 48 hours in advance and it is not required to publish notice in the newspaper(s). Our current manual does not note this and we plan to update this in our manual.

The dates and the medium of certain notices required by statute are outlined below:

1. Notice of meetings not specifically mentioned in statute – 48 hours (Notice by Township Office).
2. Elections – 10 days before the date of the election (Newspaper).
3. Sale of Bonds – 15 days before the sale and the second publication at least 3 days before the sale (Newspaper).
4. Receiving Bids – published twice, with at least 1 week apart and at least 7 days before bids are received (Newspaper).
5. Establishment of Cumulative or Sinking fund – published twice, with at least 1 week apart and at least 3 days before hearing (Newspaper).
6. Publication of Annual Report – within 4 weeks after the third Tuesday following the first Monday in January (2 Newspapers).
7. Indebtedness of Township – first Monday of August (Notice by Township Office).
8. Budgets – Refer to the Budget and Tax Rate Calendar provided by the Department of Local Government Finance (DLGF).

If the Officer is charged with the duty of publishing any notice required by law and is unable to procure publication of the notice at either (1) the price fixed by law, (2) because newspapers qualified to publish refuse to publish, or (3) because newspapers qualified to publish refuse to post notice on their respective websites, it is sufficient for the officer to post printed notices in three prominent places in the Township.

IC 5-3-1-2.3 applies to notices containing errors or omissions. Notice is not required to be republished if (1) a reasonable person would not be misled by the error or omission and (2) the notice is in substantial compliance with the time and publication requirements.

CEMETERY UPKEEP

Many of the calls we receive regarding cemetery care involve financial-related situations and we are more than happy to provide guidance for these types of questions. However, the Indiana Department of Natural Resources (DNR) has staff that specialize in cemeteries that may have more knowledge about the State's requirements for the upkeep and maintenance of cemeteries. For these types of questions please visit their website <http://www.in.gov/dnr/historic/2832.htm> or contact Jeannie R. Regan-Dinius, Director of Special Initiatives jrdinius@dnr.in.gov.

WEBSITE FEATURES

We wanted to make you aware of some items on our website. All information specific to Townships can be found on the following page: <http://www.in.gov/sboa/4445.htm>. This includes information regarding Internal Controls, Manual, Bulletins, and many other items. A couple of things that we wanted to point out include the Indiana Codes section that has been recently updated. We request that you refer to this section of our website first to answer any questions you may have about Indiana laws that pertain to Township government. The other section we wanted to emphasize is the 'Comments Regarding SBOA Staff' section towards the bottom of the page. We want to know what experiences you have with our staff, both positive and negative. Our goal is always to provide the best customer service that we can and this feedback will help us achieve that goal. These comments go to all three of our board members.

**TOWNSHIP BULLETIN
and Uniform Compliance Guidelines**

Volume 316, Page 3

March 2017

SOCIAL SECURITY WITHHOLDINGS – 2017

We understand the maximum amount of taxable and creditable annual earnings subject to social security will increase to \$127,200 in 2017. No maximum base for Medicare will exist. Rates will remain at the 2016 level at a combined rate of 7.65 percent (both employer and employee for a total of 15.3 percent) representing a 6.20 percent rate for social security and 1.45 percent for Medicare.

STATE BOARD OF ACCOUNTS CALLED MEETINGS

The SBOA called meetings of all Township Trustees for 2016, in accordance with IC 5-11-14-1, were held in January. We had a much higher attendance than previous years and we would like to thank everyone that attended. We would like to thank the Indiana Township Association and the United Township Association for speaking at our meetings and helping us answer questions.

We hope we provided relevant information to your jobs. We have had requests to have the future meetings around the State in the same manner and we plan to accommodate these requests. If you would like to request specific topics to be discussed at the meetings next year, please email schools.townships@sboa.in.gov.

Trustees not attending the 2017 meeting are encouraged and specifically requested to attend similar meetings we plan on calling in 2018. A wide range of topics were discussed both during and between sessions which pertain to your relationship with the State Board of Accounts.

LEVY EXCESS FUND

Each year the Department of Local Government Finance will certify to each township figures which show one hundred percent (100%) of the tax levy for each fund. Property taxes received which exceed one hundred (100%) of levy, will require the excess to be receipted to a levy excess fund. However, if the amount is less than one hundred dollars (\$100), no transfer is required.

VENDING MACHINE COMMISSIONS

Historically in audits of governmental units with vending machines, the State Board of Accounts has formed and followed the following audit positions.

1. There should be a clearly defined procedure adopted by the township concerning placement, use, maintenance, and commissions of vending machines on their property. As with all township policies and procedures, we recommend trustees and township boards work together to establish these policies.
2. All revenues generated and costs incurred in operating vending machines located on the township premises should be accounted for through the township's records.
3. If vending machines are located in restricted areas (areas other than those available to the public) and if the township board and trustee wish for those revenues to be restricted for the use and benefit of those employees who use the machines and generate the revenues, the State Board of Accounts takes no exception to such action in an audit. The decisions must be authorized by resolution of the township board.
4. If vending machines are located in areas where the public makes use of the machines and of the general public, the machine users. Any alternative procedure(s) would be reviewed and evaluated on

**TOWNSHIP BULLETIN
and Uniform Compliance Guidelines**

Volume 316, Page 4

March 2017

VENDING MACHINE COMMISSIONS (Continued)

a case by case basis during our audits. As stated in number 3, any alternative procedure should be authorized by resolution of the township board.

5. We do not take audit exception to payment to personnel other than the township's personnel for maintaining, stocking, and cleaning up around vending machines. A written agreement should be entered into listing the services to be rendered, the amount to be paid for such services, timing of payments, and any other areas deemed necessary by the township board and trustee.

ESTABLISHING THE ESTIMATED COST OF CAPITAL ASSETS

The following is an update to estimated cost information the State Board of Accounts provided at prior seminars concerning capital asset accounting.

When you are not able to determine the historical cost of capital assets owned by a governmental unit, the following procedure should be followed.

Develop an inventory of all capital assets which are significant for which records of the historical costs are not available. Obtain an estimate of the replacement costs of these assets. Through inquiry determine the year or approximate year of acquisition. Then multiply the estimated replacement cost by the factor for the year of acquisition from the Table of Cost Indexes. The resulting amount will be the estimated cost of the asset.

The estimated replacement cost in some cases can be obtained from insurance policies.

However, if estimated replacement costs are not available from insurance policies, you should obtain or make an estimate of the replacement costs.

An example would be if the replacement cost is estimated at \$76,000.00 and the asset was constructed about 1930, then the estimated cost of the asset should be reported as \$6,840.00.

$$\$76,000.00 \times .07 = \$5,320.00$$

TOWNSHIP BULLETIN
and Uniform Compliance Guidelines

ESTABLISHING THE ESTIMATED COST OF CAPITAL ASSETS (Continued)

TABLE OF COST INDEXES
 1917 to 2016

<u>Year</u>	<u>Index</u>	<u>Year</u>	<u>Index</u>	<u>Year</u>	<u>Index</u>	<u>Year</u>	<u>Index</u>
2016	0.99	1991	0.54	1966	0.13	1941	0.06
2015	0.99	1990	0.52	1965	0.13	1940	0.06
2014	0.97	1989	0.49	1964	0.13	1939	0.06
2013	0.96	1988	0.47	1963	0.13	1938	0.06
2012	0.94	1987	0.46	1962	0.12	1937	0.06
2011	0.91	1986	0.45	1961	0.12	1936	0.06
2010	0.89	1985	0.43	1960	0.12	1935	0.05
2009	0.90	1984	0.41	1959	0.12	1934	0.05
2008	0.86	1983	0.40	1958	0.12	1933	0.06
2007	0.84	1982	0.38	1957	0.11	1932	0.06
2006	0.81	1981	0.34	1956	0.11	1931	0.07
2005	0.79	1980	0.30	1955	0.11	1930	0.07
2004	0.77	1979	0.27	1954	0.11	1929	0.07
2003	0.75	1978	0.25	1953	0.11	1928	0.07
2002	0.74	1977	0.24	1952	0.11	1927	0.07
2001	0.72	1976	0.22	1951	0.10	1926	0.07
2000	0.69	1975	0.20	1950	0.10	1925	0.07
1999	0.68	1974	0.18	1949	0.10	1924	0.07
1998	0.67	1973	0.17	1948	0.09	1923	0.07
1997	0.65	1972	0.17	1947	0.08	1922	0.07
1996	0.63	1971	0.16	1946	0.08	1921	0.08
1995	0.62	1970	0.15	1945	0.07	1920	0.07
1994	0.60	1969	0.14	1944	0.07	1919	0.06
1993	0.58	1968	0.14	1943	0.07	1918	0.05
1992	0.57	1967	0.13	1942	0.06	1917	0.04

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	316-2
Annual Financial Report.....	307-7
Annual Reports	280-3
	283-5
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
Cemetery Upkeep	316-2
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.....	316-2
Examination of Trustee's Office.....	307-6
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	279-3
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.....	316-2
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.....	279-3
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	316-3
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	278-2
Supplemental Security Income (SSI)	287-3
Telephone and Internet Expenses	311-5
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	316-2
Uniform guidance - 2 CFR Part 200	315-4
Worker’s Compensation	315-6
Website Features.....	316-2