

TOWNSHIP BULLETIN

AND UNIFORM COMPLIANCE GUIDELINES

ISSUED BY STATE BOARD OF ACCOUNTS

Volume 313

June 2016

ITEMS TO REMEMBER

June

- 1 Prove all ledgers for the prior month.

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 Trustee shall certify a list of the name and address of each person who has money due from the Township to the County Treasurer. [IC 6-1.1-22-14]
- 20 If your monthly average tax withheld is more than \$1,000, the 20th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue.
- 30 If your monthly average tax withheld is \$1,000 or less, the 30th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue.

Deadline for State Budget Agency to provide Assessed Value Growth Quotient to Townships. [IC 6-1.1-18.5-2]

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]

July

- 1 Prove all ledgers for the prior month.
- 4 Independence Day – Legal Holiday [IC 1-1-9-1]
- 14 Department of Local Government Finance will provide each Township an estimate of the maximum permissible property tax levy for 2017, along with guidance on calculating allowable adjustments to the maximum levy. [IC 6-1.1-18.5-24]
- 20 If your monthly average tax withheld is more than \$1,000, the 20th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue.
- 30 If your monthly average tax withheld is \$1,000 or less, the 30th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue.

- 31 Last day to file Employer's Quarterly Federal Tax Return, Form 941, with the Internal Revenue Service for payment of federal tax withheld.

Last day to file report with the Indiana Department of Workforce Development for the quarter ending June 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]

August

- 1 Prove all ledgers for the prior month.

Post a verified statement showing the indebtedness of the Township in detail and giving the number and total amount of outstanding orders, warrants, and accounts.
[IC 36-6-4-10]

Department of Local Government Finance will provide to each Township that levies a property tax an estimate of the amount by the property tax distributions will be reduced in the ensuing year due to circuit breaker credits. [IC 6-1.1-20.6-11.1]

Deadline for Townships to submit to the Department of Local Government Finance cumulative fund proposals. [IC 6-1.1-17-16.7]

At their first meeting in August, the county fiscal body shall review the estimated property tax levy limits and the estimated reductions due to circuit breakers for each Township. The county fiscal body will either prepare and distribute a written recommendation for the taxing units or the county auditor will distribute the minutes of the meeting to all Townships after the minutes are approved by the fiscal body. [IC 6-1.1-17-3.6]

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- 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]

September

- 1 Prove all ledgers for the prior month.
- 2 Last day for Townships to submit proposed 2017 budgets, tax rates, and tax levies to county fiscal body or other appropriate body for review and recommendation.
[IC 6-1.1-17-3.5, 20, 20.3]
- 5 Labor Day – Legal Holiday [IC 1-1-9-1]

TOWNSHIP BULLETIN
And Uniform Compliance Guidelines

Volume 313, Page 3

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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]

STATE BOARD OF ACCOUNTS CALLED MEETING - 2016

The SBOA has called a meeting of all Township Trustees in accordance with IC 5-11-14-1. This meeting will be held on September 21, 2016 in conjunction with the Indiana Township Association Annual Meeting (September 18-21, 2016). The Indiana Township Association is providing arrangements of the meeting at the Sheraton Indianapolis Hotel & Suites, Keystone at the Crossing. The meeting will begin at 9:00 am EST with registration beginning at 8:00 am. No pre-registration is required or available.

Many items pertaining to our examinations of Townships will be discussed at the meeting. We will also be providing training in accordance with IC 5-11-1-27(f) over Internal Controls. In addition, there will be a special group of SBOA Coordinators that will be available to answer questions and assist in fixing in-depth problems, such as reconciling. So feel free to come with questions and bring records that you are having trouble with.

STATE BOARD OF ACCOUNTS CALLED MEETING - 2017

Starting in 2017, we are changing the way that we are calling a meeting of Township Trustees in accordance with IC 5-11-14-1. In 2017, we will have the following meetings (with more information and specific addresses in the September Bulletin):

Wednesday, January 25, 2017 – Columbus
Thursday, January 26, 2017 – Vincennes
Monday, January 30, 2017 – Lafayette
Tuesday, January 31, 2017 – Fort Wayne

STATE EXAMINER DIRECTIVE 2016-1

On May 27, 2016, the State Examiner issued Directive 2016-1 in regards to IC 5-11-1-4 which discusses the timeline for Townships to file annual financial reports in accordance with Generally Accepted Accounting Principles (GAAP). All Townships that issue bonds and meet the applicable population thresholds will be required to file GAAP reports on the following schedule:

<u>Bond Issuance Year</u>	<u>Population</u>	<u>GAAP Reporting</u>
2019	greater than 250,000	by March 1, 2019
2020	greater than 250,000	by February 29, 2020
2021	greater than 100,000	by March 1, 2021
2022	greater than 75,000	by March 1, 2022

SENATE ENROLLED ACT 67

On April 25th, 2016, we sent out a memo in regards to SEA 67. If you have received a distribution from your County Auditor under SEA 67, those funds are required to be receipted into your Rainy Day Fund. If you received this distribution and do not have a Rainy Day Fund, you must set up a Rainy Day Fund in accordance with IC 36-1-8-5.1.

NEW LAWS AFFECTING TOWNSHIPS

The following is a Digest of some of the laws passed by the 2016 Regular Session of the General Assembly affecting Townships. Please note the effective dates. Some of the laws do not pertain directly to Townships but are included for ready reference to the covered subject matter.

The Digest is not intended as an expression of legal interpretation. The Digest is also not intended to be all inclusive. References in the Digest will be to the Indiana Code in the following form (Amends IC 12-20-9-6) (Amends Indiana Code, Title 12, Article 20, Chapter 9, Section 6). The final version of each Public Law can be found on the Indiana General Assembly website (<http://iga.in.gov/>). If you have any questions regarding legal interpretation, please consult your Township attorney.

Public Law 208-2016, Senate Enrolled Act 126 – Effective July 1, 2016 Political Subdivision Information on the Internet

Adds IC 5-14-3.9 and Amends IC 5-14-3.7-3; IC 5-14-3.8-3. Requires local government to provide information for posting on the Indiana transparency Internet web site as following: (1) Expenditures categorized by personal services, other operating expenses or total operating expenses, and debt service, including lease payments, related to accumulation of money for future capital needs. Requires the DLGF after July 31, 2017, to publish an annual financial and operational summary of each political subdivision on the transparency web site. Requires a political subdivision that has a public Internet web site to publish a link to the transparency web site. Requires the DLGF to determine the summary's form, content, and publishing dates.

Public Law 134-2016, Senate Enrolled Act 217 – Effective July 1, 2016 Township Assistance Payment of Electric Bills

Adds IC 12-20-16-3.5 and Amends IC 12-20-20-1. Allows the township trustee to deposit township assistance funds in an account of a township assistance recipient with an electric service provider for prepaid electric service. Excludes investor owned utilities from the definition of "electric service provider." Provides that the provider holds the township assistance funds as a fiduciary for the township trustee. Established deadlines for the provider to remit township assistance funds to the township trustee if: (1) the township trustee demands remittance of any township assistance funds remaining in the recipient's account; or (2) the recipient's account with the provider is terminated. Requires the provider to provide a monthly accounting statement to the township trustee of any remaining balances of township assistance funds that are held by, expended by, or deposited with the provider.

Public Law 184-2016, Senate Enrolled Act 321 – Effective July 1, 2016 Local Government Budgeting

Adds and Amends numerous sections of IC 6-1.1 and IC 36-1. Provides that for each budget year after 2018, the department of local government finance (DLGF) shall certify a political subdivision's budget, tax rate, and tax levy not later than: (1) December 31 of the year preceding the budget year, unless a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal; or (2) January 15 of the budget year, if a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal. (Under current law, these certifications must be completed not later than February 15 of the budget year.) Retains the November 1 deadline for a political subdivision to adopt a budget for the following year....

**Public Law 142-2016, Senate Enrolled Act 327 – Effective July 1, 2016
Transparency Portal**

Adds IC 5-14-3.8-3.5. Requires a political subdivision to upload certain contracts to the Indiana transparency Internet web site during each year that the contract amount payable by the political subdivision for the year exceeds the lesser of: (1) 10% of the political subdivision's property tax levy; or (2) \$50,000. Contract must be uploaded within 60 days after it is executed.

**Public Law 147-2016, House Enrolled Act 1017 – Effective July 1, 2016
Publication of Notice by Political Subdivisions**

Adds IC 5-3-1-0.2 and Amends IC 5-3-1-1; IC 5-3-1-1.5; IC 5-3-1-2; IC 5-3-1-4; IC 9-22-1-23; IC 16-8-2-301; IC 20-48-4-2; IC 36-12-5-3. Provides that in certain circumstances, a political subdivision (other than a county) may publish notice in a locality newspaper that circulates in the political subdivision instead of in a newspaper that is published in the county and circulates in the political subdivision. Establishes requirements for locality newspapers that may publish notice.

**Public Law 188-2016, House Enrolled Act 1372 – Effective July 1, 2016
Public Personnel Bonds and State Board of Accounts**

Amends IC 5-11-5-1 and IC 20-26-4-5. Amends the law requiring surety bonds for certain individuals having public fiscal responsibilities to: (3) set threshold amounts of public funds for which a bond is required; Allows, rather than requires, the commissioner of insurance to prescribe the form of public official surety bonds and crime insurance policies. Allows, in certain circumstances, the state examiner to issue an examination final report less than 45 days after an initial exit conference. Allows certain individuals who receive state board of accounts records to divulge the records in an action with respect to the misappropriation or diversion of public funds.

Other laws passed that could have an impact on Townships

Public Law 120-2016, Senate Enrolled Act 20 – Workforce Policies
Public Law 121-2016, Senate Enrolled Act 21 – Obsolete Statutes
Public Law 122-2016, Senate Enrolled Act 23 – Technical Corrections
Public Law 144-2016, Senate Enrolled Act 375 – Prequalification for Public Works Projects
Public Law 60-2016, House Enrolled Act 1035 – Code Revision Corrections
Public Law 149-2016, House Enrolled Act 1036 – Technical Corrections
Public Law 150-2016, House Enrolled Act 1053 – Regulation of Packaging Materials
Public Law 68-2016, House Enrolled Act 1090 – Local Emergency Planning Committees
Public Law 203-2016, House Enrolled Act 1273 – Various Property Tax Matters