

# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: County Assessors, Auditors, Treasurers, and Information Technology Professionals

FROM: Tim Jorzczak, Director of Policy and Intergovernmental Affairs *TJ*

SUBJECT: Update to Third-Party Software Certification Process and Application

DATE: April 24, 2009

This memorandum is to provide additional information regarding the Phase II software certification process.

## **Certification Deadline**

On April 22, 2009, the Department of Local Government Finance ("Department") filed an emergency rule (LSA document #09-259) affecting 50 IAC 23. A copy of this emergency rule will be placed on the Department's Phase II certification Web site at <http://www.in.gov/dlgf/7698.htm>. In this emergency rule, the Department has extended the deadline for completion of Phase II software certification to June 30, 2010, with the stipulation that counties must have contractual agreements covering the testing in force by December 31, 2009. This extension was given in order to allow counties more time to budget for any anticipated costs involved with the certification process, and we hope that this action will make the process easier for the counties.

## **Eligibility of Third-Party Testers**

The Department would like to take the opportunity to clarify questions regarding the eligibility of a prospective third-party tester to conduct testing. 50 IAC 23-18-5 requires that a county "engage an independent, private, or public entity approved by the department to test and validate that the installed property tax management system complies with the standards and requirements of this article."

For purposes of this rule, an "[i]ndependent entity" means "an entity approved by the department that has no existing business relationship or other relationship with a computer software provider or a county." 50 IAC 23-2-23. This definition has two major implications.

First, a third-party certification tester cannot have a financial interest in, business relationship with, or otherwise be affiliated with a computer software provider. A prospective third-party who has a relationship with a computer software provider of any sort shall be prohibited by the

Department from acting as a third-party certification tester in all cases – even in counties where that computer software provider does no service.

Second, a prospective third-party tester may not test the software of a county with whom the prospective tester already has any existing financial or business relationship (aside from the proposed testing). A prospective third-party tester may only test the software of counties with whom it has no existing financial or business relationship.

### **Third-Party Tester Contracts and Additional Testers**

Finally, the Department would like to report that there are now three officially approved third-party testers. In addition to Crowe Horwath, we are pleased to announce that Appraisal Research Corporation and Ginny Whipple of GNA Assessment Professionals have been approved to provide Phase II testing services to Indiana counties. We also are continuing to receive interest from other entities who wish to provide this service and expect that more will become available soon.

Contact information for these firms can be found on the Department's Phase II certification Web site at <http://www.in.gov/dlgf/7698.htm>. Please note that the Department does not need to be a party to a contract signed with a third-party tester – each tester receives a designation letter that outlines their responsibilities in the process. When a contract is signed, however, please send a copy to the Department for our records.

If you have additional questions on this topic, please feel free to contact Tim Jorczak, Director of Policy and Intergovernmental Affairs, at [tjorczak@dlgf.in.gov](mailto:tjorczak@dlgf.in.gov) or 317-234-5675.