

CHAPTER 2 INTRODUCTION

SECTION A - ORIGIN OF OFFICE

Early history shows that the office of county auditor was first created by an act of the legislature in 1841. Prior to that time the duties pertaining to the office, for the most part, were performed by the clerk of the circuit court.

It is interesting to note, also, that after creating the office in 1841 the legislature passed an act in 1844 abolishing the office in Owen, Greene, Washington and Carroll Counties, restoring the duties then performed by the auditors to the clerks in those counties.

It was not until the second Constitution of Indiana was adopted in 1851 that the office was created in all counties and it has remained a constitutional office since that time.

SECTION B - DUTIES OF OFFICE

The Constitution of Indiana imposes no duties upon the auditor. It only provides that he/she shall "perform such duties as may be directed by law." (Art. 6, Sec. 6 of Constitution of Indiana; Jones v. Cavins, 4 Ind. 305)

The auditor shall, therefore, perform such duties as may be directed by law. These duties for the most part are enumerated in Chapter III and are more fully covered in other chapters.

SECTION C - DEFINITIONS

The following terms are used throughout this manual. Each is defined herein for the purpose of clarity and to prevent misunderstanding or misinterpretation. Unless the context clearly states otherwise, such terms shall have the following meanings:

Quietus or Receipt shall mean the quietus issued by the auditor upon a person depositing in his/her office the receipt of the treasurer for money paid into the county treasury.

Warrant shall mean an order or check issued by the auditor or the treasurer for the payment of money from the county treasury.

Fund shall mean the cash belonging to a specific named account. It shall also mean investments of cash in securities belonging to such fund or account.

Examples of funds include: General Fund, Welfare Fund, Highway Fund, Health Fund and Congressional School Fund.

Appropriation means authorization given by the council by ordinance to incur obligations and disburse funds for a specific purpose, in those instances where an appropriation is required. This term is associated with the terms "Major Budget Classification" and "Object of Expenditure," also defined herein. The term differs from "fund" in that it does not represent cash but is merely the authority to expend the cash in a specific fund up to a stated amount.

Major Budget Classification means one of the four major classifications of expense for which appropriations are made under the uniform budget system prescribed for counties. The major classifications are: Personal Services, Supplies, Other Services and Charges and Capital Outlays.

Object of Expenditure or Minor Budget Classification means one of the detail or minor classifications of expense under a major budget classification, as prescribed in the uniform budget system for counties. It also refers to appropriations where required to be made by minor object.

Encumbrance means an obligation incurred in the form of a purchase order or contract to be paid from an appropriation or fund, for which a part of the appropriation or fund is reserved, or set aside on the records, for that purpose. An encumbrance ceases when the obligation is paid.

Unencumbered Appropriation means that portion or balance of an appropriation not expended or encumbered.

Claim or Accounts Payable Voucher, as used herein and particularly in Chapter VII, Claims and Allowances, shall have the broad meaning of any request, order or demand for payment of money out of the county treasury. It is not intended that the term be limited solely to claims filed for allowance by the board of county commissioners, unless the discussion so indicates.

Disbursement means the actual payment of money by the issuance of a warrant against the county treasury.

Expenditure means the incurring of an obligation against a fund or appropriation, for which the money may or may not be disbursed. It is actually a total of encumbrances and disbursements.

Ledger Account means the accounting form on which the financial transactions pertaining to a particular fund, appropriation or detail account are recorded.

Ledger means the composite or summary of a group or of all individual "ledger accounts" into a single book or record. For example, a "Funds Ledger" will consist of the ledger accounts for all funds and an "Appropriation Ledger" will consist of the ledger accounts for all appropriations. It is sometimes referred to as the "General Ledger," in which all ledger accounts are kept in a single record; however, the term also includes subsidiary ledgers of financial transactions required to be kept.

SECTION D - LEGAL REFERENCES

Throughout the Manual legal references are furnished, where applicable, to facilitate locating statutes, opinions of the Attorney General and court decisions touching on the subject discussed. These references are only for the purpose of assisting in resolving questions which might arise and should not be construed as legal opinions of the State Board of Accounts. If a legal question arises that is not answered by one of the references furnished, or if a statute, opinion or court decision requires further interpretation, consult the attorney representing the county.

All references to statutes are to the Indiana Code and to the title, article, chapter and section of the Code. For example, IC 6-1.1-32-2 refers to Title 6, Article 1.1, Chapter 32 and Section 2 of the Code.

In using the Indiana Code it is important to remember that the entire Code is not reprinted each year and the latest supplemental volume(s) should always be reviewed for any laws which may have been enacted since the entire Code was last reprinted. A copy of the latest supplemental volume(s) is required to be furnished to the office each year at no cost by the clerk of the circuit court. [IC 2-6-1.5-4]

The Code Edition of Burns Indiana Statutes or West's Annotated Indiana Code are another available source of applicable statutes. To insure that you are reading the most recent law on the subject in those volumes, reference should always be made to the latest pocket supplement. The use of Burns Indiana Statutes or West's Annotated Indiana Code may be beneficial because of the annotations, or footnotes, carried under each section, which make reference to official opinions of the Attorney General, court decisions and other information or material relating to the statute.

References to Official Opinions of the Attorney General are usually shown as "OAG," followed by the number of the opinion and the year it was issued, or if no number was assigned to the opinion the exact date of issue.

References to court decisions, unless otherwise stated, are to cases decided by the Indiana Supreme Court and the Indiana Court of Appeals (formerly designated Indiana Appellate Court). A reference, such as "223 Ind. 467" means page 467, Volume 223 of Indiana Reports (Supreme Court). The reference "91 App. 160" means page 160, Volume 91 of Indiana Court of Appeals Reports.

The circuit court's law library should contain all of the reference material mentioned herein should it not be readily available in the auditor's office.