

# INDIANA STATE BOARD OF ACCOUNTS

2023 Clerk Treasurers School

Mike Crowley

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# AGENDA

Receiving Electronic Payments

Making Electronic Payments

Reference Materials



# RECEIVING PAYMENTS

## Indiana Code 36-1-8-11

- Cash
- Check
- Bank Drafts
- Money Orders
- Credit Cards
- Debit Cards
- EFT (Electronic Funds Transfers)
- Other Council Approved methods
  - Venmo, PayPal, Cashapp



# RECEIVING CREDIT CARDS PAYMENTS

Indiana Code 36-1-8-11(f)

If a bank charges the unit a fee for accepting credit cards, you can collect from the customer using the card either **or** both:

- Official fee that cannot exceed the transaction charge from the bank
- Convenience fee
  - Not to exceed \$3
  - Must be uniformly charged

Fees can be collected regardless of retail agreements between bank and credit card vendors that may prohibit such fees



# RECEIVING CREDIT CARDS PAYMENTS (CONTINUED)

Indiana Code 36-1-8-11(f) (continued)

- Fees can be collected regardless of retail agreements between bank and credit card vendors that may prohibit such fees

IC 36-1-8-11(g)

- If any service charges are assessed for accepting credit cards, you can pay them under IC 36-1-8-11



# DISBURSING MONEY ELECTRONICALLY

## Credit Cards

- Council Adopts policy in resolution or ordinance
- In Accordance with [Cities & Towns Manual](#) chapter 1

## Credit Card Policy Should Contain

- Purposes for which card can be used
- Procedures for custody of card(s)
- Not used to bypass the accounting system
- Requirements for supporting documentation



# DISBURSING MONEY ELECTRONICALLY

## Credit cards – Audit Tips

- Internal Controls
- Supporting documentation
- Purposes for which card can be used
  - Original Receipts
  - Consider copying heat printed receipts & attaching to original
  - Something should exist for each card usage
  - Cannot pay from statement alone
  - Late Fees / Interest



# DISBURSING MONEY ELECTRONICALLY

## Electronic Payments

- Online bill pay through bank, ACHs, etc.
- Indiana Code 36-1-8-11.5
- Council must adopt resolution to authorize electronic funds transfer method of payment of claims
- Also applies to utility claims
- Electronic payments still have to comply with Indiana Code 5-11-10-1.6 for paying claims and IC 36-4-8-14 (cities) and IC 36-5-4-12 (towns) regarding paying claims described in an ordinance before council approval





# DISBURSING MONEY ELECTRONICALLY

## Electronic Payments before governing body approval

- Ability to pay certain items described in an ordinance prior to governing body approval
  - IC 36-4-8-14 (cities)
  - IC 36-5-4-12 (towns)
- Ordinance is required
- Is not meant to bypass the claims process
- Payments still get approved at the next meeting of the governing board





# DISBURSING MONEY ELECTRONICALLY

## Internal Controls

Extremely Important – the nature of electronic payments lends itself to tighter controls and more scrutiny to detect and correct errors, as well as to prevent fraud

- Segregation of duties
- Reviews
- Approvals
- Documentation of all transactions

# REFERENCE MATERIALS

*“I don’t need to know everything. I just need to know where  
to find it when I need it.”*

***Albert Einstein***



# INDIANA CODE WWW.IGA.IN.GOV

**Indiana General Assembly**  
2023 Session

Information | Session | Committees | Legislation | Laws | Publications

Search | Code | Bills | Legislators

Title required, Article, Chapter or Section optional

T A C S Keyword

**Upcoming Meetings** Tuesday  
View calendar details + < May 16 >  
2023  
No meetings scheduled for this day.

Notices >  
**Bills for the 2023 Session**  
As bills are introduced during the legislative session, they are added to the list found [here](#).

Notices | Find Your Legislator | Senate | House of Representatives | Interim Committees

Watch Live: Senate | House | Video Archive > Browse the Archive





# SBOA WEBSITE

# www.in.gov/sboa

**IN.GOV** An official website of the Indiana State Government

Accessibility Settings Language Translation Governor Eric J. Holcomb

**Indiana State Board of Accounts** Search SBOA

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## Audit Reports

Search Reports

STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANA 46204-2769

Report Government Fraud  
[Click Here](#)

Resource Library  
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STOP FRAUD

# SBOA YOUTUBE – OTHER VIDEOS

Presentations and Training Materials ▾

SBOA Youtube Channel



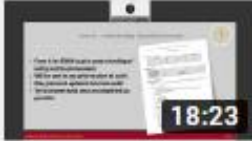




## SBOA Training Videos

6 videos • 495 views • Last updated on Nov 21, 2019

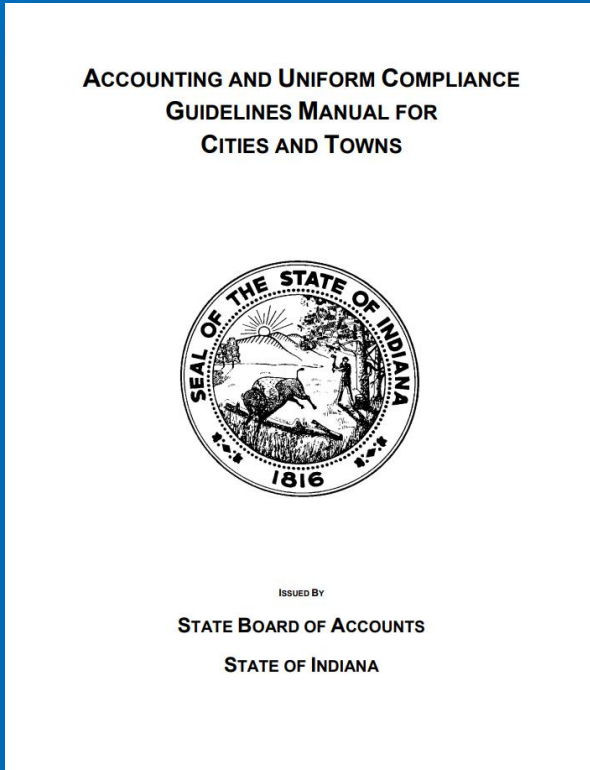


State Board of Accounts

SUBSCRIBE

-  **SBOA Forms prior to Audit**  
State Board of Accounts
-  **Highway Annual Operational Report Updates**  
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-  **E-1 Reporting**  
State Board of Accounts
-  **Internal Controls Webinar**  
State Board of Accounts
-  **Capital Asset Training**  
State Board of Accounts

# SBOA – CITIES AND TOWNS MANUAL *Accounting & Uniform Compliance Guidelines Manual for Cities and Towns*



Chapter 1 – Form Approval, General Information, Local Policies, Deposits and Investments

Chapter 2 - Definitions, Accounting Principles, Fund Accounting, Appropriation Requirements, Transfers of Appropriations, Special Circumstances such as refunds, insurance recoveries, reimbursement grants, etc.

Chapter 3 – The Accounting Plan, including the Chart of Accounts

Chapter 4 – Fund Sources and Uses

Chapter 5 - City and Town Court Funds

Chapter 6 – Forms

Chapter 7 – Calendar of Monthly Duties (& other info)

# Accounting & Uniform Compliance Guidelines Manual for Cities and Towns

## SBOA – OTHER MANUALS



# Accounting & Uniform Compliance Guidelines for City and Town Courts

## ACCOUNTING AND UNIFORM COMPLIANCE GUIDELINES MANUAL FOR CITIES AND TOWNS



ISSUED BY  
STATE BOARD OF ACCOUNTS  
STATE OF INDIANA

## CITIES AND TOWNS BULLETIN

AND UNIFORM COMPLIANCE GUIDELINES  
ISSUED BY STATE BOARD OF ACCOUNTS

September 2019

PAGE 1

### JUNE TRAINING SCHOOL

The State Board of Accounts extends its deepest appreciation to the officers and committees of the Indiana League of Municipal Clerks and Treasurers (ILMCT) for making the arrangements and to Accelerate Indiana Municipalities (AIM) for handling the registrations and providing space for our Resource Center at the School in Fort Wayne. Next year's June School will be held in Evansville as part of the League's Annual Conference during the week of June 8 through June 11.

### FALL DISTRICT MEETINGS

The ILMCT Fall District meetings will again qualify as State-Called meeting days. This year's meetings will be in Middlebury on October 17 and in Bloomington on October 23. Registration information will be sent out by the League for the District meetings.

### HEALTH SAVING ACCOUNT PAYMENTS

It has come to our attention that some units are not using payroll withholding funds to account for the employee directed Health Savings Account payments. Instead, the units make direct deposits to the Health Savings Accounts in a similar manner to the process of making net pay direct deposits to the employee's bank account. Historically, our audit position has been to take exception to this accounting practice because all payroll transactions were not being recorded in the financial records. The State Board of Accounts has revised the audit position on this process and we will not take audit exception to amounts approved by employees being deposited directly into Health Savings Accounts without the use of a payroll withholding fund, provided the following criteria are observed:

- 1) Unit is following state and federal guidelines of Health Savings Accounts;
- 2) Reports of amounts deposited into Health Savings Accounts are produced in detail by employee for each individual payroll period and maintained for audit; and
- 3) Amounts deposited into Health Savings Accounts (employee and employer share) are approved by the governing board.

### CAPITAL ASSET LEDGER FORM 369

Cities and Towns Form No. 211 Capital Assets Ledger requires the same information as the General Form No. 369 which is prescribed for all units. Cities and Towns Form No. 211 is being rescinded and General Form No. 369 Capital Assets Ledger will be the prescribed form to be used by Cities and Towns. Since both forms require the same information, this should not impact the information you have been maintaining in your system to account for capital assets.

The Capital Asset Ledger form has been updated to reflect terminology currently used in the accounting for capital assets and to mirror the classifications required in

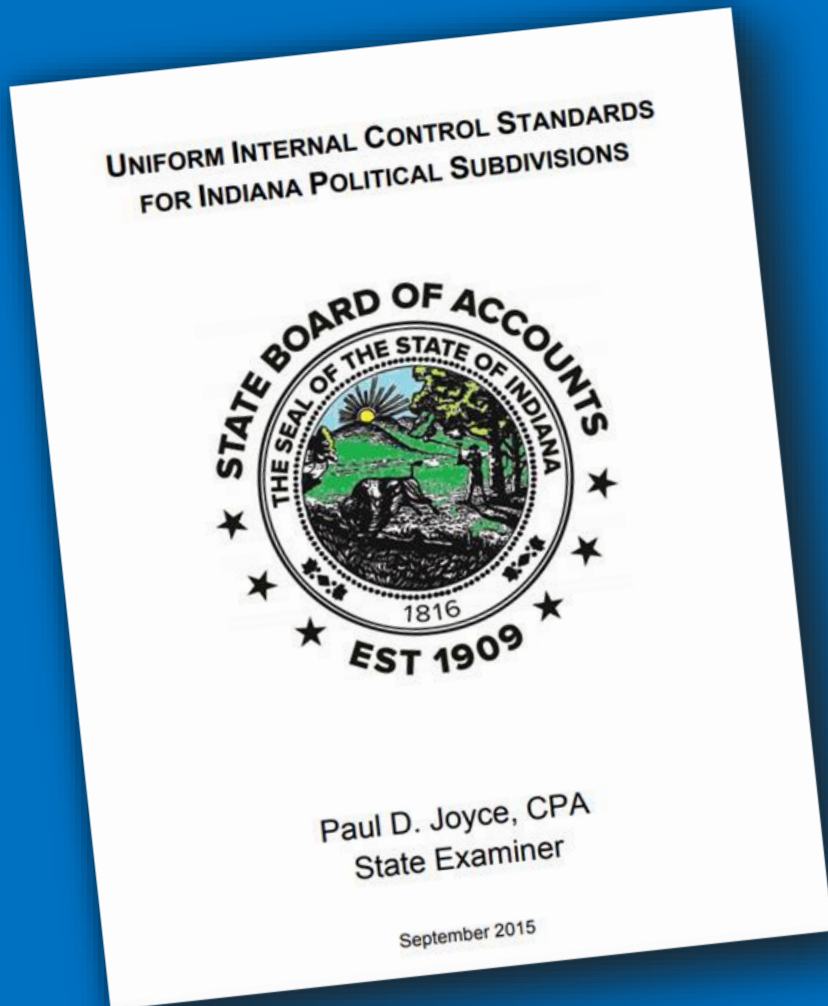
## ACCOUNTING AND UNIFORM COMPLIANCE GUIDELINES MANUAL FOR CITY AND TOWN COURTS



STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
Indianapolis, Indiana 46204



# INTERNAL CONTROLS – IC 5-11-1-27



## SECTION ONE

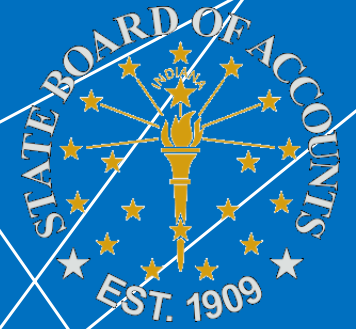
### Minimum Level of Internal Control Standards

- Five Components
- Seventeen Principles

## SECTION TWO

### Approved Training Materials

- Video Presentation
- Examples
- Case Studies



# INTERNAL CONTROL TRAINING

[www.in.gov/sboa](http://www.in.gov/sboa)

Navigate to 'cities' or 'towns'

Scroll down to

**Training**

Then

Find this



Internal Control Standards ▾

Information and Communication  
Internal Controls Webinar

Watch later Share

- Emphasizes importance of quality information
- Volume and sources
- Complexity of processes
- Technology advances
- Greater interaction with 3<sup>rd</sup> party vendors

# THANK YOU

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[Cities.towns@sboa.in.gov](mailto:Cities.towns@sboa.in.gov)

[www.in.gov/sboa](http://www.in.gov/sboa)

