

# CITIES AND TOWNS BULLETIN

AND UNIFORM COMPLIANCE GUIDELINES  
ISSUED BY STATE BOARD OF ACCOUNTS

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March 2010

## JUNE TRAINING SCHOOL

This year's June Training School will be held in Indianapolis as part of the Indiana League of Municipal Clerks and Treasurers' Annual Conference during the week of June 13 through June 17, 2010.

The Conference and School will be held at the Indianapolis Marriott North.

The State Board of Accounts will be conducting two (2) days of training (June 15 and 16) at the Conference which will be State-called meeting days.

Please mark these dates on your calendar. An explanatory letter along with a tentative agenda will be sent out prior to the meeting.

## FILING AND DOCKETING CLAIMS

IC 5-11-10-2 states in part:

“(a) Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. If the claim is against a governmental entity as defined in section 1.6 [IC 5-11-10-1.6] of this chapter, the claim must be certified by the fiscal officer.

(b) The state board of accounts shall prescribe a form which will permit claims from two (2) or more claimants to be listed on a single document and, when such list is signed by members of the governing body showing the claims and amounts allowed each claimant and the total claimed and allowed as listed on such document, it shall not be necessary for the members to sign each claim.

[(c) Applies to solid waste management districts.]

(d) The form prescribed under this section shall be prepared by or filed with the disbursing officer of the political subdivision together with... the supporting invoices or bills...

(e) Where under any law it is provided that each claim be allowed over the signatures of members of a governing body, or a claim docket or accounts payable voucher register be prepared listing claims to be considered for allowance, the form and procedure prescribed in this section shall be in lieu of the provisions of the other law.”

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### **FILING AND DOCKETING CLAIMS – (Continued)**

The State Board of Accounts has prescribed General Form No. 364, Accounts Payable Voucher Register, which shall be prepared by, or filed with, the disbursing officer of the city or town, together with the supporting accounts payable voucher, and all such documents shall be carefully preserved by the disbursing officer as a part of the official records of the office.

IC 36-4-8-5(a)(2) applies to cities and IC 36-5-4-4(a)(2) applies to towns. Both statutes require claims to be filed in the manner prescribed by IC 5-11-10-2 at least five (5) days before the meeting of the applicable approving body. However, if the city or town council has passed an ordinance to allow certain claims to be paid by the fiscal officer between board meetings in accordance with IC 36-4-8-14 (cities) or IC 36-5-4-12 (towns), then the five (5) day requirement does not apply for those particular types of claims.

If members of the governing body would rather approve and sign each individual accounts payable voucher in lieu of signing the Allowance of Vouchers section of General Form 364, this procedure is acceptable.

IC 5-11-10-1.6 states in part:

“(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity’s fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity’s legislative body or the board or official having jurisdiction over allowance of payment of the claim....

(d) The fiscal officer of a governmental entity shall issue checks or warrants for claims by the governmental entity that meet all of the requirements of this section. The fiscal officer does not incur personal liability for disbursements:

- (1) processed in accordance with this section; and
- (2) For which funds are appropriated and available.

(e) The certification provided for in subsection (c)(4) must be on a form prescribed by the state board of accounts.”

City and town fiscal officers have the option of certifying either on each Accounts Payable Voucher or by signing the certification section of the Accounts Payable Voucher Register.

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### **CLAIMS FOR PAYMENTS TO STATE AND FEDERAL AGENCIES**

The State Board of Accounts' audit position is that when statutory payments are due to state or federal agencies, there is no requirement for the state or federal agency to file an invoice or claim for such payments. This audit position would include payments for social security obligations, public employees' retirement fund contributions, federal, state, or county taxes withheld, sales tax, utility receipts tax, and other such amounts due state or federal agencies.

The disbursing officer should prepare an accounts payable voucher and attach any copies of payroll deduction reports, federal or state invoices, communications, etc., to document the payment. The accounts payable voucher will provide a posting media indicating to whom paid, fund on which drawn, accounts to be charged, and the approval by the proper boards.

### **MINIMUM WAGE AND OVERTIME PROVISIONS**

Your attorney should be consulted concerning the federal minimum wage and overtime provisions of the Fair Labor Standard Act applicable to cities and towns. The Act generally exempts elected officials and certain management positions from coverage with certain exceptions. However, office personnel, maintenance workers, public safety employees where there are 5 or more employees, and others are all included.

The overtime pay issue has required the State Board of Accounts to prescribe General Form No. 99C, Employee Weekly (work period) Earnings Record, which is designed to meet the record keeping requirements of the minimum wage and overtime provisions of the Fair Labor Standards Act (FLSA). The form should be maintained for employees who are not exempt from FLSA and who are not on a fixed work schedule when the governmental unit pays other than weekly.

Cities and towns should constantly be aware of all the areas of employment in the city or town where overtime right attaches and establish a system to accurately record hours worked.

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### **HANDLING LAW ENFORCEMENT CONTINUING EDUCATION PROGRAM FEES**

1. Each Court is to assess a \$4 law enforcement continuing education program fee in each action in which a defendant is found to have (1) committed a crime; (2) violated a statute defining an infraction; or (3) violated an ordinance of a municipal corporation. [IC 33-37-5-8(c)]
2. Monthly, a county, city or town court clerk is to transmit the law enforcement continuing education fees collected to the county, city or town fiscal officer. [IC 33-37-4-1, IC 33-37-4-2, IC 33-37-4-3]
3. The fiscal officer shall deposit the fees into either the County User Fee Fund or the City or Town User Fee Fund. [IC 33-37-4-1, IC 33-37-4-2, IC 33-37-4-3]
4. A law enforcement agency may receive funds from a County User Fee Fund or a City or Town User Fee Fund by filing a claim with the county, city or town fiscal officer. The claim shall include a "verified statement" of cause numbers for fees collected that are attributable to the law enforcement efforts of that agency. Payment of the claimed amount from a County User Fee Fund or a City or Town User Fee Fund may be made without appropriation.
5. Claims may be filed as often as monthly, quarterly, or semiannually.
6. On receipt of the amount claimed by the law enforcement agency, the city or town fiscal officer shall place the amount received into the Local Law Enforcement Continuing Education Fund. [IC 5-2-8-2]
7. Funds received by a law enforcement agency shall be used for the continuing education and training of law enforcement officers employed by the agency and for equipment and supplies for law enforcement purposes. [IC 5-2-8-6]
8. Amounts claimed for expenditures from the Local Law Enforcement Continuing Education Fund must have been appropriated prior to expenditure either through the normal budget process or by additional appropriation. [IC 33-37-8-4]
9. Any funds remaining in the Local Law Enforcement Continuing Education Fund at year end do not revert.

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### **LAW ENFORCEMENT CONTINUING EDUCATION PROGRAM FEES – FILING VERIFIED STATEMENTS OF CUASE NUMBERS**

Since the statutes (IC 5-2-8, IC 33-37-8) are silent regarding by whom or in what manner the “verified statement of cause numbers” will be prepared, the State Board of Accounts has adopted the following suggested procedures to handle such filings:

1. The applicable law enforcement agency should prepare the claim. At a minimum, the claim should indicate each fee collected by date of payment, cause number, defendant name, and receipt number if available.
2. The claim should be filed by the law enforcement agency with the fiscal office of the governmental unit.
3. The fiscal officer shall transmit the claim to the court clerk in order for the claim to be verified.
4. Once the court clerk verifies the fees claimed on the claim, the claim shall be transferred back to the fiscal officer for processing in the same manner as all other claims, i.e. submitted for board approval and subsequent payment.
5. An alternative to steps 3 and 4 has been approved for some units. In this instance, when the court clerk transmits the monthly collection of law enforcement continuing education fees to the fiscal officer, the court clerk includes a listing of the fees transmitted by date of payment, cause number, defendant name, and the law enforcement agency to which the fees are attributable. By doing this, the fiscal officer is able to verify the fees claimed by the various law enforcement agencies and is not required to go back to the court clerk.

It would also be permissible for the law enforcement agency to attach a copy of such listing that is provided by a court to a claim once the law enforcement agency verified the accuracy of the data contained in the listing.