

TOWNSHIP BULLETIN

AND UNIFORM COMPLIANCE GUIDELINES ISSUED BY STATE BOARD OF ACCOUNTS

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November 2008

ITEMS TO REMEMBER

DECEMBER

- December 1: 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 Township shall certify a list of the names and addresses of each person who has money due from the Township to the County Treasurer. [IC 6-1.1-22-14]
- December 25: Legal Holiday - Christmas Day. [IC 1-1-9-1]
- December 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(e)]

JANUARY

- January 1: Legal Holiday - New Year's Day. [IC 1-1-9-1]
- January 1: Set up the Financial and Appropriation Record for the year 2009, by bringing forward the fund (cash) balances at the close of the year 2008 and entering appropriations as finally adopted and approved.
- January 6: Annual meeting of township board to organize by electing one member as chairman and one member as secretary for the year. (First Tuesday after first Monday in January.) [IC 36-6-6-7]
- January 6-31: Members of the township board are to meet to organize as a township board of finance by electing one member as president and one member as secretary, each for a period of one year. During the annual meeting the investment officer shall make a written report to the investing officer's local board of finance summarizing the township's investments during the previous calendar year. The report must contain the name of each financial institution, government agency or instrumentality, or other person with whom the township invested money during the previous calendar year. The local board of finance shall do the following at the meeting:
- (1) Review the report.
 - (2) Review the overall investment policy of the political subdivision. (After the first Monday and on or before the last day of January.) [IC 5-13-7-6, IC 5-13-7-7]
- January 15: Last day to make pension report and payment for fourth calendar quarter by townships participating in PERF.

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ITEMS TO REMEMBER
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| January | 19: | Legal Holiday - Martin Luther King, Jr.'s Birthday. [IC 1-1-9-2] |
| January | 20: | Last day for the annual meeting of the township board for the purpose of receiving, auditing and approving the Annual Report, Township Form 15 for 2008 (On or before the third Tuesday after the first Monday in January.) [IC 36-6-6-9] |
| January | 29: | Last day for trustee to file the copy of the Annual Report, Township Form 15, as approved by the township board, together with the 2008 vouchers, in the office of the county auditor (within ten (10) days after the meeting of the township board on January 20). [IC 36-6-4-12] |
| January | 30: | Last day to file 2008 Annual Report, Township Form 15, with the State Board of Accounts. Please see the letter sent to you or which you picked up at the State Board of Accounts Meeting November 2008. |
| January | 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(e)] |
| January | 31: | Last day to provide each employee with a W-2. |
| January | 31: | Last day to file quarterly 941 report for last quarter of 2008 with Internal Revenue Service. |
| January | 31: | Last day to file Form 100R, Certified Report of Names and Compensation of all Officers and Employees, with the State Board of Accounts. Be sure to indicate the name and business address of the township and the name of the county on page one of the form. A supply of forms for the report can be procured from your supplier of township forms. The form should be mailed to the State Board of Accounts, 302 West Washington Street, Room E418, Indianapolis, IN 46204. [IC 5-11-13-1] |
| January | 31: | Last day to make report for last quarter of 2008 to the Department of Workforce Development. |

FEBRUARY

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| February | 12: | Legal Holiday – Lincoln’s Birthday. [IC 1-1-9-1] |
| February | 16: | Last day for publication of Annual Report, Township Form 15, for 2008 in summary form. (Within four weeks after the third Tuesday after the first Monday in January.) [IC 36-6-4-13] |
| February | 16: | Legal Holiday – Washington’s Birthday. [IC 1-1-9-1] |

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ITEMS TO REMEMBER
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- February 28: 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(e)]
- February 28: Last day to file withholding statement together with Yearly Reconciliation of Employer's Quarterly Tax Returns with Social Security Administration and Indiana Department of Revenue, respectively.

TOWNSHIP COMPUTERS AND INTERNET EXPENSES

We have received numerous inquiries about the purchase, and usage of computers and related Internet service for townships, including situations for which a separate township office does not exist.

The following audit position should cover all situations for reimbursement of computers and related Internet expenses:

The State Board of Accounts will not take audit exception to reasonable expenditures if:

1. A separate township office exists and the township has computers and Internet service in the name of the township. The expense for township computers and 100% of the proper monthly Internet service billing for township business may be paid if the township timely files the completed township annual report in an electronic format approved by the State Board of Accounts.
2. The only township office is in the home. Up to 100% of cost of a computer and up to 50% of the base monthly Internet service billing may be reimbursed for township business if approved by the township board in accordance with IC 36-6-8-3 and the township timely files the completed township annual report in an electronic format approved by the State Board of Accounts.

The aforementioned audit position of the State Board of Accounts is with the assumption computers shall be titled and inventoried in the name of the township and compliance with the following audit position from the *Accounting and Uniform Compliance Guidelines Manual for Townships*.

The State Board of Accounts is of the audit position public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee.

Assets of the governmental unit may not be used in a manner unrelated to the functions and purposes of the governmental unit.

Whenever an item or other asset owned by the political subdivision is entrusted to an officer or employee, to be used at times outside the normal work time for business purposes, such as a cellular phone, or vehicle, a log should be maintained which clearly shows the business use.

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TOWNSHIP CELLULAR PHONES

We have received numerous inquiries about the purchase, and usage of a cellular phones and related service for townships.

The following audit position should cover all situations for reimbursement of cellular phones expenses:

The State Board of Accounts will not take audit exception to reasonable expenditures if:

1. Township owned cellular telephone(s) exist for which the township has a listing in the telephone directory in the name of the township. Consequently, 100% of the proper monthly cellular telephone service for which the township receives and maintains a detailed listing from the cellular service company showing the township business nature of all calls may be paid.
2. All other situations for which the number one does not apply, up to 50% of the base monthly service billing may be reimbursed for township business calls if approved by the township board in accordance with IC 36-6-8-3. However, obligations may exist (which may include personal obligations) in regards to Internal Revenue Service and Indiana Department of Revenue regulations.

The aforementioned audit position of the State Board of Accounts is with the assumption computers shall be titled and inventoried in the name of the township and compliance with the following audit position from the *Accounting and Uniform Compliance Guidelines Manual for Townships*.

The State Board of Accounts is of the audit position public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee.

Assets of the governmental unit may not be used in a manner unrelated to the functions and purposes of the governmental unit.

Whenever an item or other asset owned by the political subdivision is entrusted to an officer or employee, to be used at times outside the normal work time for business purposes, such as a cellular phone, or vehicle, a log should be maintained which clearly shows the business use.

RENT AND, OTHER UTILITY COSTS IN THE HOME

The State Board of Accounts has not taken audit exception to reimbursements of a reasonable sum for rent when a trustee uses the trustee's residence for the township office in accordance with IC 36-6-8-3 which states in part (a) "If the township executive uses a part of the executive's residence for an office, the township legislative body shall appropriate a reasonable sum for that office space." The State Board of Accounts is of the audit position the amounts paid for rent for the use of a home office for the township is all-inclusive of all utilities, e.g. electricity, water, gas, etc.

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ANNUAL REPORTS

The following information is also being conveyed by a separate letter and packet either mailed to townships or picked up at the State Board of Accounts' Meeting in November 2008.

Enclosed is a compact disk (CD) containing a computer program to assist in preparing your 2008 Annual Financial Report (Form 15 Revised 2008). The program is also available and may be downloaded from the State Board of Accounts website at: <http://www.in.gov/sboa/3168.htm>. Please complete the Annual Report and return the Annual Report on a CD or a floppy disk to the State Board of Accounts, 302 West Washington Street E418, Indianapolis, IN 46204-2765. You may also e-mail the completed Annual Report to annualrpt@sboa.in.gov. However, the completed Annual Report must, in all cases, be filed with the State Board of Accounts **by January 30, 2009**.

Please call (317) 232-2520 if you need assistance from a field staff person to instruct you on how to complete the Annual Report or for any other situations not listed above.

Annual Reports should be completed using the prescribed State Board of Accounts format. You should convert any other format contemplated. Contact Linda Baker at (317) 232-4958, if you have any questions.

The TA-7 (Township Assistance Statistical Report) should be filed annually as Part 11 of your Township Annual Report, Form 15. The information will cover the time period of January 1, 2008, through December 31, 2008. Please note the TA-7 was totally revised in 2006.

Before completing the Annual Report, special attention should be given to reviewing the instructions provided.

The Annual Financial Report shall be advertised pursuant to the guidelines furnished in the enclosed instructions.

Additionally, pursuant to IC 5-11-13-1, Form 100R (Names, Addresses, Duties, and Compensation of Public Employees) must be completed and filed with the State Board of Accounts by January 30, 2009. The form can be obtained from your local printer and should be sent directly to the State Board of Accounts, 302 West Washington Street, Room E418, Indianapolis, Indiana, 46204-2765, ATTN: 100R.

We appreciate your cooperation in providing the required information to us promptly so that our reporting to the Indiana Legislature and the Bureau of the Census is not delayed.

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FINANCIAL ASSISTANCE TO ENTITIES

Since September 1, 1986, the State Board of Accounts, or designee, has been responsible for the examination of the records and accounts of entities receiving financial assistance from governmental sources. Entities are defined as providers of goods, services, or other benefits that are maintained in whole or in part at public expense; or supported in whole or in part by appropriations of public funds, or by taxation. The definition does not include the State or Municipalities but does include for-profit and not-for-profit corporations, and unincorporated associations and organizations. Financial assistance is defined as payments to entities in the form of grants, subsidies, contributions, aid, etc.

Entities are primarily nongovernmental organizations, many of which conduct their business as a not-for-profit corporation. By contract or other form of agreement, these entities provide a service or benefit to the public on behalf of and paid for by government.

All contracts as of September 1, 1986, involving financial assistance between governmental units and entities must permit the examination and require reports as prescribed by IC 5-11-1-9. The examination of an entity receiving public funds will be limited to matters relevant to the use of the money if the financial assistance received is less than 50% of the disbursements of the entity. The entire entity is subject to examination if the assistance received is greater than 50%. An examination of an entity organized as a not-for-profit corporation which derives less than 50% (or at least 50% but less than \$100,000) of the entities disbursements from public funds may be waived by the State Examiner.

The majority of the entity audits are performed by private accountants authorized or designated by the State Board of Accounts. The entity will be charged the actual cost of the examination. The information is significant to townships entering into any contractual agreements with not-for-profit corporations (e.g. fire protection contracts with volunteer fire departments). Contracts that provide for a flat amount of assistance would subject the volunteer fire department to examination. An examination would not be required if the contract provides for reimbursement by the township on a "per unit run" basis, claims for payment are submitted by the volunteer fire department after the service is performed (with sufficient documentation to evidence the units of service provided), and the total amount provided during the contract period is not subject to adjustment due to variances between a recipient's estimated and actual cost of providing the service.

Nongovernmental organizations (entities) receiving financial assistance from governmental sources in the form of grants, subsidies or contributions, are required by IC 5-11-1-4 to file an Entity Annual Report (Form E-1) with the State Board of Accounts. Detail information is provided in our Uniform Compliance Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources which can be found on our website at www.in.gov/sboa.

The State Board of Accounts is of the audit position a township which has provided public funds to an entity, has a monitoring responsibility to ensure the entity has timely filed the E-1 Report annually with the State Board of Accounts.