

THE COUNTY BULLETIN

And Uniform Compliance Guidelines

ISSUED BY STATE BOARD OF ACCOUNTS

Vol. No. 362

April 2008

REMINDER OF ORDER OF BUSINESS

April

- 15 Members of Tax Adjustment Board to be appointed before this date in counties that have not abolished such board. (IC 6-1.1-29-2) Abolishment of the board is provided under IC 6-1.1-29-9.
- Last day to make pension report and payment for first quarter by counties participating in Public Employees' Retirement Fund.
- 20 Last day to report and make payment of balance of State and County Income Tax withheld in March to Indiana Department of Revenue.
- Last day to file quarterly unemployment compensation reports with the Department of Workforce Development.
- 15, 16, & 17 State Board of Accounts called meeting for County Recorders – Indianapolis
- 30 Prepare inventory of Loans to Common, Congressional, Permanent Endowment and Cemetery Trust Funds.
- Last day to file quarterly report of federal withholding tax with Director of Internal Revenue Service.

May

- 1 Prepare report of school funds to Auditor of State and make payment of principal and interest due to Treasurer of State on the Common and Permanent Endowment Funds, and pay the Treasurer of State all fines and forfeitures on hand April 30, 2007, as shown in this report. (IC 20-42-1-6)
- 10 First installment of property taxes due.
- 15 On or before May 15 is the last regular day for filing applications for tax exemption by Churches, Educational and Charitable organizations. (IC 6-1.1-11-3)
- Period for normal filing of personal property schedules ends. (IC 6-1.1-1-7)
- Before May 16, of each even numbered year, the County Auditor shall provide to the County Assessor a list by taxing district of property for which a tax exemption was in effect for the preceding year. (IC 6-1.1-11-5)

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REMINDER OF ORDER OF BUSINESS
(Continued)

May – (continued)

- 20 Last day to report and make payment of State and County Income Tax withheld in April to Indiana Department of Revenue.
- 21, 22, & 23 State Board of Accounts called meeting for County Auditors - Indianapolis
- 26 Memorial Day – Legal Holiday (IC 1-1-9-1)

June

- 1 Last date for filing County Highway Annual Operational Report with the State Board of Accounts and other governmental agencies. (IC 8-17-4.1-7)

On or before June 1 the County Auditor will certify the name and addresses of persons who have money due them from the County to the County Treasurer for determining if such persons owe delinquent property taxes. (IC 6-1.1-22-14)

On or before June 1 the County Treasurer will provide to the Auditor of State, Indiana Department of Transportation, and any state institution or state school a list of persons who owe delinquent property taxes and are believed to have money due to them from that agency. (IC 6-1.1-22-16)
- 10 Last day for filing applications for tax deductions to obtain deduction on 2008 payable 2009 taxes. (IC 6-1.1-12) (statute states before June 11)
- 10, 11, & 12 State Board of Accounts called meeting for Clerk of the Circuit Courts – French Lick
- 15 Before June 16 of each even numbered year the County Assessor is to give notice to tax exempt organizations which failed to file an application for exemption of property tax for which an exemption was effective for the previous year, if application must be filed for the exemption under IC 6-1.1-11-3.5. (IC 6-1.1-11-5)
- 20 Last day to report and make payment of State and County Income tax withheld in May to Indiana Department of Revenue.

On or before this date complete settlement and distribution of taxes collected by the County Treasurer since the last settlement. Prepare settlement sheet to be submitted to Auditor of State for approval and make distribution of funds due local governmental units and the Treasurer of State by June 30. (IC 6-1.1-27-3)
- 30 County Treasurer to certify list of real property eligible for tax sale to County Auditor on or before July 1.

SMALL CLAIMS PROCEEDINGS – APPEARANCE BY LEGAL COUNSEL FOR CORPORATIONS

For small claims cases exceeding one thousand five hundred dollars (\$1,500) a corporation must appear by counsel. For small claims cases not exceeding one thousand five hundred (\$1,500), a corporation may be represented by counsel or by a full-time employee of the corporation designated by the board of directors to appear as the corporation in the presentation of claims arising out of the business of the corporation.

Before a designated employee is allowed to appear in a small claims proceeding, the corporation must have on file with the court exercising jurisdiction of the proceeding, a certificate of compliance with the provisions of Small Claims Rule 8.

EDUCATION LICENSE PLATE FEE

IC 9-18-31 authorizes the collection of the Education License Plate Fee. The annual fee of this plate is \$25. Of this fee, 25% goes to the state superintendent of public instruction and 75% of this fee goes to one of the following: (1) an education foundation or (2) a school corporation.

If an educational foundation that is exempt from federal income taxation under Internal Revenue Code Section 501(c)(3) is established as an Indiana nonprofit corporation for the benefit of a school corporation designated to receive a fee under this chapter, fees designates to go to the school corporation shall be distributed to an educational foundation that provides benefit to the designated school corporation. A school corporation that receives benefit from an educational foundation that meets the requirements of this section shall:

- (1) obtain a certificate from the educational foundation that certified to the school corporation and the county auditor that the educational foundation:
 - (A) is exempt from federal income taxation under Internal Revenue Code Section 501(c)(3);
 - (B) is established as an Indiana nonprofit corporation to provide benefit to the school corporation'and
- (2) provide a copy of the certificate to the county auditor.

If a school corporation designated to receive a fee does not receive benefit from an educational foundation, the fees designated to go to the school corporation shall be distributed to the school corporation; and may only be used for purposes other than salaries and related fringe benefits.

Before the twentieth day of the calendar month following the calendar month in which a fee was collected, the bureau shall distribute the fees collected to the county auditor of the county in which the designated school corporation's administration office is located. Each monthly distribution shall be accompanied by a report to the auditor that shows:

- (1) the total amount of the monthly distribution for all school corporations in the county that were designated to receive an education license plate fee; and
- (2) the amount of the fees that are to be distributes to each designated school corporation in the county.

Within thirty (30) days of receipt of a distribution from the bureau, the county auditor shall distribute the fees received to:

EDUCATION LICENSE PLATE FEE (Continued)

- (1) an education foundation, if the school corporation has provided a copy of the certificate; or
- (2) the school corporation;

whichever is applicable. The county auditor shall designate which school corporation is to receive benefit in connection with a distribution to an educational foundation. If the school corporation receives benefit from more than one (1) educational foundation, the superintendent of the benefited school corporation shall determine, and inform the auditor in writing, how fees received are to be distributed to the educational foundations. The county auditor shall, simultaneous with a distribution to an educational foundation, send the school corporation to receive benefit a notice of the distribution that identifies the recipient educational foundation and the date and the amount of the distribution.

Funds received by an educational foundation must be used to provide benefit to the designated school corporation within one (1) year of receipt from the county auditor.

We would recommend opening a new fund to account for the distribution from the Bureau of Motor Vehicles. This fund would be considered an agency fund. Distribution to the foundation or the school would be made from this fund without an appropriation.

CAMPAIGN FINANCE REPORT CIVIL PENALTY

IC-3-9-4-17 states, "In addition to any other penalty imposed, a person who does any of the following is subject to a civil penalty:

- (1) Fails to file with a county election board a report in the manner required under IC 3-9-5.
- (2) Fails to file a statement of organization required under IC 3-9-1.
- (3) Is a committee or a member of a committee who disburses or expends money or other property for any political purpose before the money or other property has passed through the hands of the treasurer of the committee.
- (4) Makes a contribution other than to a committee subject to this article or to a person authorized by law or a committee to receive contributions in the committee's behalf.
- (5) Is a corporation or labor organization that exceeds any of the limitations on contributions prescribed by IC 3-9-2-4.
- (6) Makes a contribution in the name of another person.
- (7) Accepts a contribution made by one (1) person in the name of another person.
- (8) Is not the treasurer of a committee subject to this article, and pays any expenses of an election or a caucus except as authorized by this article.
- (9) Commingles the funds of a committee with the personal funds of an officer, a member, or an associate of the committee.
- (10) Wrongfully uses campaign contributions in violations of IC 3-9-3-4.

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CAMPAIGN FINANCE REPORT CIVIL PENALTY (Continued)

(11) Fails to designate a contribution as required by IC 3-9-2-5(c).

(12) Violates IC 3-9-3-5.

(13) Serves as a treasurer of a committee in violation of any of the following: (A) IC 3-9-1-13(1). (B) IC 3-9-1-13(2). (C) IC 3-9-1-18.

This applies to a person who is subject to a civil penalty under subsection (a)(1) or (a)(2) for filing a defective report or statement. If the county election board determines that a person failed to file the report or a statement of organization not later than noon five (5) days after being given notice, the county election board may assess a civil penalty. The penalty is ten dollars (\$10) for each day the report is late after the expiration of the five (5) day period, not to exceed one hundred dollars (\$100) plus any investigative costs incurred and documented by the board. The civil penalty limit applies to each report separately.

This applies to a person who is subject to a civil penalty under subsection (a)(1) or (a)(2) for a delinquent report or statement. If the county election board determines that a person failed to file the report or statement of organization by the deadline, the board shall assess a civil penalty. The penalty is fifty dollars (\$50) for each day the report is late, with the afternoon of the final date for filing the report or statement being calculated as the first day. The civil penalty may not exceed one thousand dollars (\$1,000) plus any investigative costs incurred and documented by the board. The civil penalty limit applies to each report separately.

If the county election board determines that a person is subject to a civil penalty under (a) (3), (a) (4), (a) (6), (a) (7), (a) (8), (a) (9), or (a) (10), the board may assess a civil penalty of not more than one thousand dollars (\$1,000), plus any investigative costs incurred and documented by the board.

If the county election board determines that a person is subject to a civil penalty under (a)(5), the board may assess a civil penalty of not more than three (3) times the amount of the contribution in excess of the limit prescribed by IC 3-9-2-4, plus any investigative costs incurred and documented by the board.

This applies to a person subject to a civil penalty under (a) (11). If the county election board determines that a corporation or a labor organization has failed to designate a contribution in violation of IC 3-9-2-5(c), the board shall assess a civil penalty equal to the greater of two (2) times the amount of the contributions undesignated or one thousand dollars (\$1,000). To either of these is added any investigative costs incurred and documented by the board.

If the county election board determines, by unanimous vote of the entire membership of the board, that a person has violated IC 3-9-3-5, the board may assess a civil penalty of not more than five hundred dollars (\$500), plus any investigative costs incurred and documented by the board.

If the county election board determines, by unanimous vote of the entire membership of the board, that a person has served as the treasurer of a committee in violation of any of the statutes listed in subsection (a) (13), the board may assess a civil penalty of not more than five hundred dollars (\$500), plus any investigative costs incurred and documented by the board.

All civil penalties collected shall be deposited with the county treasurer to be deposited by the county treasurer in a separate account to be known as the campaign finance enforcement account. The funds in the account are available, with the approval of the county fiscal body, to augment and supplement the fund appropriated for the administration of this article.

CAMPAIGN FINANCE REPORT CIVIL PENALTY (Continued)

Money in the campaign finance enforcement account does not revert to the county general fund at the end of the county fiscal year.

Proceedings of the county election board under this section are subject to IC 4-21.5.”

Per IC 3-9-4-18 (e) and (f) for a person who:

- “(1) is assessed a civil penalty; and
- (2) is elected to office in the subsequent election.

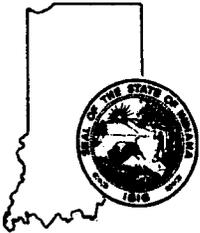
The election board may order the auditor of state or the fiscal officer of the political subdivision responsible for issuing the person’s payment for serving in the office to withhold from the person’s paycheck the amount of the civil penalty assessed. If the amount of the paycheck is less than the amount of the civil penalty, the auditor or fiscal officer shall continue withholding money from the person’s paycheck until an amount equal to the amount of the civil penalty has been withheld.

The auditor of state or fiscal officer shall deposit an amount withheld under this section in the election board campaign finance enforcement account.”

OPTICAL IMAGED CHECKS

IC 5-15-6-3 states in part “...‘original records’ includes the optical image of a check...”

The State Board of Accounts is of the audit position both sides of a check are part of the original record. Therefore, both sides of an “optical imaged check” should be available for public inspection and audit. Encoding, printing or bank certification should exist to ascertain that the back side of a check is part of a particular check, ie, endorsements belong to the front side of a check presented.



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

AMOUNTS AUTHORIZED TO BE RECEIVED BY SHERIFFS FOR BOARD OF PRISONERS

By authority of IC 36-8-10-7, I Bruce Hartman, CPA, State Examiner of the State Board of Accounts, do hereby fix the exact amount per meal which the sheriff of each county in the State of Indiana, shall be entitled to receive for feeding prisoners legally in his charge, including Federal prisoners, for a period of one year, beginning April 15, 2008. Amounts received by the sheriff from the Federal government for board and care of Federal prisoners shall be paid into the County General Fund.

In determining and fixing the amount per meal, the use of wholesome food in quantities and varieties necessary for the preservation of the health of the prisoners is contemplated. All expenses related to preparing and serving meals, except for the costs of food, shall be borne by the county.

The amounts fixed are for meals actually served such prisoners during each respective month. Not more than three meals at county expense are to be served to any one prisoner in any one day.

The term "month" shall mean a period of time beginning April 15, 2008 and thereafter ending on the fourteenth (14th) day of each succeeding month. Claims for meals for the month beginning December 15th will be paid from the appropriation for the succeeding year.

For number of meals served during a period of one month, per meal:

In counties having a population of less than 20,000	\$1.89
In counties having a population of 20,001 to 40,000.	\$1.83
In counties having a population of 40,001 to 60,000.	\$1.75
In counties having a population of 60,001 to 80,000.	\$1.55
In counties having a population of 80,001 to 100,000.	\$1.31
In counties having a population of 100,001 to 200,000.	\$1.19
In counties having a population of 200,001 or over.	\$1.12

The following counties will not be allowed the amounts authorized above:

- Allen
- Lake
- Marion
- Vanderburgh


Bruce Hartman, CPA
State Examiner

Dated this 5th day of March, 2008
DG/TRW/db