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# STATE BOARD OF ACCOUNTS



ILMCT Institute & Academy

October 23, 2024

Mitch Wilson & Beth Goss





# PAUL D. JOYCE, CPA STATE EXAMINER

Indiana's State Examiner and the agency head for the State Board of Accounts, Paul Joyce coordinates and manages the post-audits and examinations of over 4,000 state and local governmental entities in Indiana.

# TOPICS OF DISCUSSION



Fund Sources and Uses



Bank Reconcilements



Positive Pay and Reverse Positive Pay



Nepotism and Conflict of Interest



Fiscal Officer Training



Stale Dated Checks



ARPA Obligations



FUNDS

FUND SOURCES  
AND USES



# FUNDS DISCUSSED

- Local Road & Street (LRS)
- Motor Vehicle Highway (MVH & MVH Restricted)
- Parks and Recreation Non-Reverting
- Riverboat
- Cumulative Capital Improvement (CCI)
- Public Safety
- Law Enforcement Continuing Education (LECE)
- Utilities
- Rainy Day



- **Authorized under IC 8-14-2**

- Primary Purpose – account for state gasoline tax distributions

- **Specific Uses in IC 8-14-2-5**

- Engineering, land acquisition, construction, resurfacing, maintenance, restoration, or rehabilitation of both local and arterial road & street systems
- Payment of principal & interest on bonds sold to finance road projects
- Local costs required to undertake a recreational or reservoir road project
- Purchase, rental, or repair of highway equipment

LOCAL  
ROADS &  
STREETS  
(LRS)



- **Authorized under IC 8-14-1**
  - Primary Purpose – account for state motor vehicle highway distributions
- **Specific Uses in IC 8-14-1-5**
  - Principally used for construction and maintenance of streets and alleys
    - *construction, reconstruction, repair, maintenance, oiling, sprinkling, snow removal, weed and tree cutting and cleaning of highways*

MOTOR  
VEHICLE  
HIGHWAY  
(MVH)



## MOTOR VEHICLE HIGHWAY (MVH)

- **Uses of MVH include:**
  - Curbs
  - Unit's share of cost of separation of grade railroad crossings
  - Purchase/lease of highway construction & maintenance equipment
  - Traffic signs and signals
  - Safety zones and devices
  - Painting of structures, objects, surfaces in highways for purposes of safety and traffic regulation

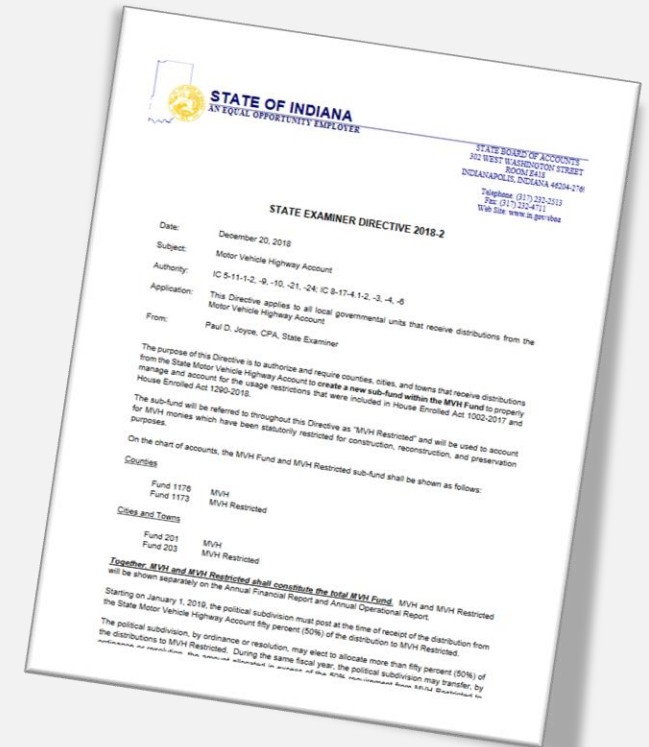




# MVH RESTRICTED (SUB-FUND)

- **IC 8-14-1-5(c)**
- **Created by State Examiner Directive 2018-2**
- **Fund 2203 on your ledgers**
- **Is a sub-fund of MVH**
- **<https://www.in.gov/sboa/about-us/state-examiner-directives/>**

[Directive 2018-2, Motor Vehicle Highway Account](https://www.in.gov/sboa/about-us/state-examiner-directives/Directive%202018-2,%20Motor%20Vehicle%20Highway%20Account)





## MVH RESTRICTED (SUB-FUND)

- **Source of Funds: MVH distributions from the State MVH Account**  
*(does not include local tax levy if you have one)*
- **“At least” 50% of State MVH distributions into MVH Restricted (#2203)**
- **Used for:**
  - ✓ Construction
  - ✓ Reconstruction
  - ✓ Preservation





## MVH RESTRICTED (SUB-FUND)

### Used for:

- ✓ Construction
- ✓ Reconstruction
- ✓ Preservation

### Can't be used for:

- ✓ Snow removal

### CRP Definitions – Allowable Uses Document:

<https://www.in.gov/sboa/files/MVH-CRP-definitions-ver-V.pdf>





- **Authorized under IC 36-10-3-22**
  - Operating Fund
    - Primary Purpose – General park purchases
  - Capital Fund
    - Primary purpose – Acquire land or make capital improvements
- **Funds must be appropriated by the fiscal body prior to being spent**

PARK  
NON-  
REVERTING  
FUNDS



- **Authorized under IC 36-1-8-9**
  - Primary purpose – account for tax revenue received under:
    - IC 4-33-12-6 – Riverboat admission taxes
    - IC 4-33-13 – Wagering taxes
- **Specific Uses**
  - *“Money in the fund may be used for any legal ... purpose of the unit.”*

RIVERBOAT



- **Authorized under IC 6-7-1**
  - Primary purpose – account for state cigarette tax distributions
- **Specific Uses in IC 6-7-1-31.1**
  - Principally used for capital improvement – several uses detailed in this statute
  - Most notably 6-7-1-31-1(a)(9) – *“for any other governmental purpose for which money is appropriated by the fiscal body of the city or town.”*
  - IC 6-7-1-31.1(c) – can be transferred at any time by ordinance or resolution to General

CUMULATIVE  
CAPITAL  
IMPROVEMENT



- **Authorized under IC 6-3.6-6; 6-3.6-7; 6-3.6-9; 6-3.6-11**

- Primary purpose – account for additional tax rate imposed for public safety adopted by county’s adopting body.

- **Specific Uses**

- For “Public Safety” as defined in IC 6-3.6-2-14:
  - (1) A police and law enforcement system to preserve public peace and order.
  - (2) A firefighting and fire prevention system.
  - (3) Emergency ambulance services (as defined in [IC 16-18-2-107](#)).
  - (4) Emergency medical services (as defined in [IC 16-18-2-110](#)).
  - (5) Emergency action (as defined in [IC 13-11-2-65](#)).
  - (13) Pension payments for police and fire
  - (14) Law enforcement training.

PUBLIC  
SAFETY



- **Authorized under IC 5-2-8-2**
  - Primary purpose – account for revenue from the following sources:
    - Law Enforcement Continuing Ed fees – IC 33-37-5-8
    - Inspection of Motor Vehicles – IC 9-17-2-12
    - Accident Report fees – IC 9-26-9-3
    - Proceeds from sale of confiscated weapons – IC 35-47-3-2
    - ICJI distributions for gun permit fees (ICJI memo 2/17/22)
- **Specific Uses**
  - For training law enforcement officers employed by a city/town and for equipment and supplies for law enforcement purposes. [IC 5-2-8-6]

LAW  
ENFORCEMENT  
CONTINUING  
EDUCATION





# UTILITY FUNDS

- Clerk-Treasurer serves as treasure of utility funds and thus the utility funds are to be kept on the city/town ledger
- Appropriations are not required since tax levies are not involved
- *Common Utilities*
  - *Water*
  - *Wastewater*
  - *Solid Waste*
  - *Electric*
  - *Gas*

# UTILITY FUNDS

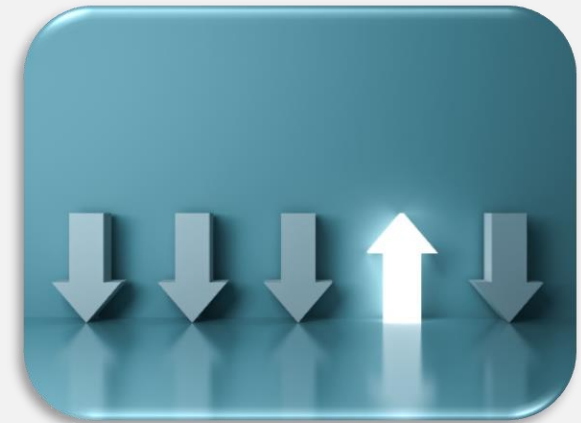
- Applicable Statutes
  - IC 8-1 Utilities Generally
  - IC 8-1.5 Municipal Utilities
  - IC 36-9-23 Municipal Sewage Works
- Common Funds
  - Operating
  - Bond and Interest
  - Depreciation
  - Deposit





# UTILITY FUNDS

Expenses paid from utility funds should be directly related to the operation of that respective municipally owned utility.





- **Authorized under IC 36-1-8-5 and IC 36-1-8-5.1**
  - Primary purpose – account for transfers of unused and unencumbered funds
  - Amount transferred may not exceed 15% of annual budget for that fiscal year
    - *(through 12/31/24; then 10% going forward)*
  - Fund created by ordinance in cities and towns
- **Specific Sources and Uses**
  - The ordinance creating the Rainy Day fund should specifically state the source of receipts to the fund, and
  - Specifically state what the fund can be used for

RAINY DAY



## REFERENCES

### ***Accounting and Uniform Compliance Guidelines for Cities and Towns, Chapter 4***

**<https://www.in.gov/sboa/files/CHAPTER-4.pdf>**

2019

#### CHAPTER 4 - FUNDS

##### SECTION A - DEFINITIONS

Funds are defined in Chapter 2, Section C, to mean "cash" or a group of accounts set aside for the purpose of accounting for monies or other resources of general functions or specific activities, such as utilities, construction projects, or other activities of a city or town in accordance with the system of accounts prescribed by the State Board of Accounts or as required by statute.

Funds prescribed for use by cities and towns are the General Fund, special revenue funds, debt service funds, capital projects funds, permanent funds, proprietary funds-enterprise funds, internal service funds, fiduciary funds, pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Fund types and account groups are defined in more detail in Chapter 3, Section B. A listing of funds presently in use by cities and towns are classified in the proper fund type and may be found in Chapter 3, Section B.

In order to conserve space, detail accounts are not listed for all fund revenue and expenditure categories. For further detail information relating to revenue and expenditure categories, please refer to the Chart of Accounts in Chapter 3, Section F.

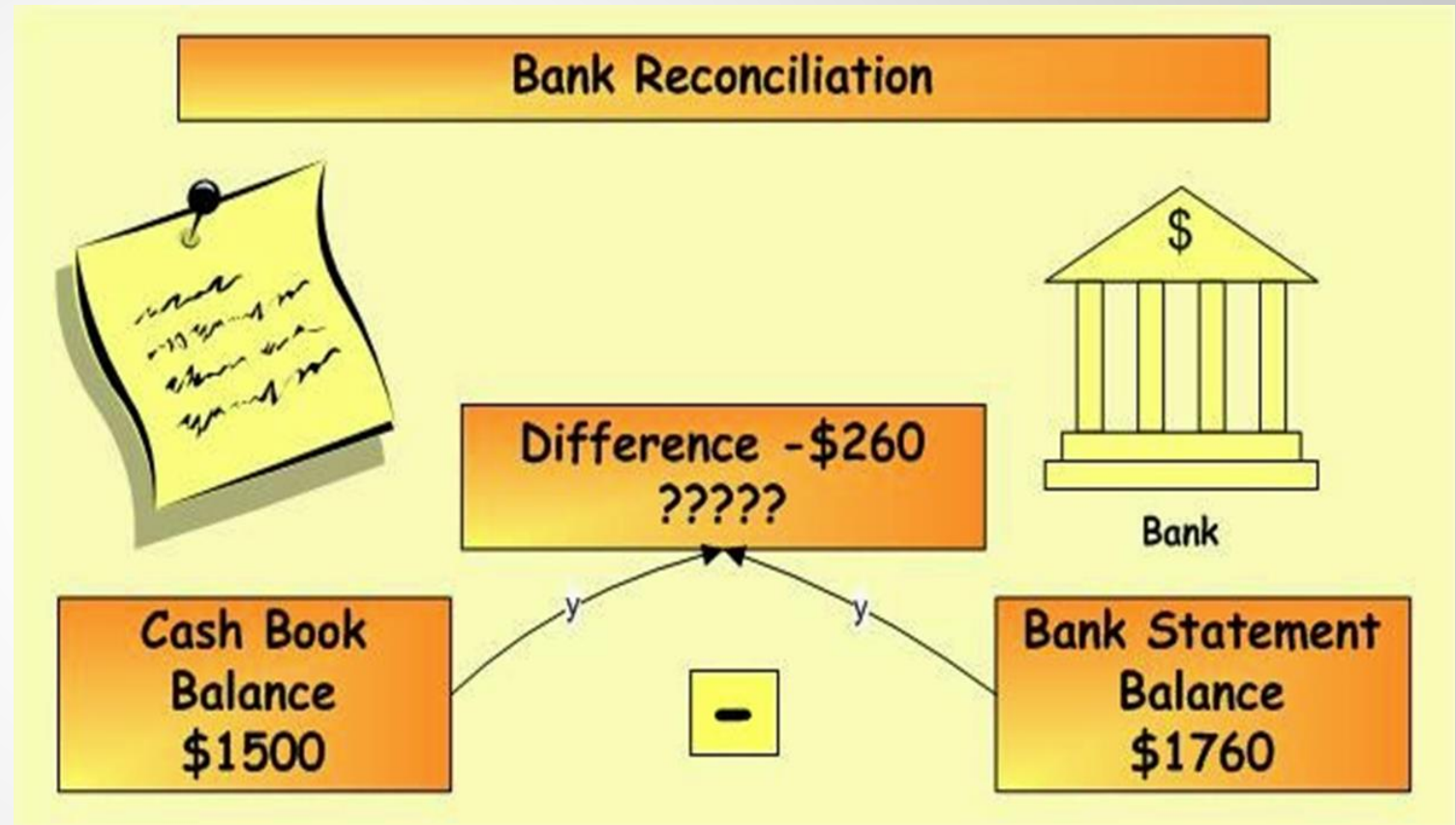


# BANK RECONCILEMENTS

## BANK RECONCILEMENTS

“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)]

# BANK RECONCILEMENTS









# BANK RECONCILEMENT EXAMPLE

Bank Reconciliation  
Town  
March

Bank Account Balance - March 31

\$74,832.14



# BANK RECONCILEMENT EXAMPLE

Bank Reconciliation  
Town  
March

Bank Account Balance - March 31 \$74,832.14

Add:

Deposits in Transit	150.17	<u>Date</u>	<u>Amount</u>
<i>(money you have receipted in your ledger but the deposit hasn't shown up on the bank account by the end of the period)</i>		3/29	125.17
		3/30	<u>25.00</u>
			150.17



# BANK RECONCILEMENT EXAMPLE

Bank Reconciliation  
 Town  
 March

Bank Account Balance - March 31 \$74,832.14

Add:

Deposits in Transit	150.17	<u>Date</u>	<u>Amount</u>
<i>(money you have receipted in your ledger but the deposit hasn't shown up on the bank account by the end of the period)</i>		3/29	125.17
		3/30	<u>25.00</u>
			150.17

Less:

Outstanding Checks	(5,170.54)	<u>Check</u>	<u>Date</u>	<u>Amount</u>
<i>(checks you have written and posted to your ledger, but they have not been paid - or "cleared" - the bank)</i>		123	12/15	4.50
		125	1/4	17.55
		130	1/24	100.00
		131	3/15	678.99
		132	3/29	<u>4,369.50</u>

Reconciling items:

5,170.54



Bank Reconciliation

Town

March

Bank Account Balance - March 31	\$74,832.14			
Add:				
Deposits in Transit	150.17		<u>    Date</u>	<u>    Amount</u>
<i>(money you have receipted in your ledger</i>			3/29	125.17
<i>but the deposit hasn't shown up on the</i>			3/30	25.00
<i>bank account by the end of the period)</i>				<u>150.17</u>
Less:				
Outstanding Checks	(5,170.54)	<u>    Check</u>	<u>    Date</u>	<u>    Amount</u>
<i>(checks you have written and posted</i>		123	12/15	4.50
<i>to your ledger, but they have not been</i>		125	1/4	17.55
<i>paid - or "cleared" - the bank)</i>		130	1/24	100.00
		131	3/15	678.99
		132	3/29	4,369.50
				<u>5,170.54</u>
Reconciling items:				
Add or Subtract				
Interest	(3.21)			
<i>(put into bank account but not yet receipted)</i>				
NSF Checks	50.00			
<i>(checks presented to you, receipted, but</i>				
<i>the checks bounce when they get to the</i>				
<i>bank)</i>				
Service Fees	5.00			
<i>(fees charged by bank - taken out of account</i>				
<i>but not yet posted as disbursement to ledger)</i>				
Encoding Error	9.90			
<i>(bank runs a check you wrote for \$100.10</i>				
<i>as \$110.00; they took out 9.90 too much)</i>				
Encoding Error	<u>(0.10)</u>			
<i>(bank runs a deposit you recorded at \$55.55</i>				
<i>as \$55.65; they gave you \$.10 too much)</i>				



Bank Account Balance - March 31	\$74,832.14			
Add:				
Deposits in Transit	150.17			
<i>(money you have receipted in your ledger         but the deposit hasn't shown up on the         bank account by the end of the period)</i>		<u>Date</u>	<u>Amount</u>	
		3/29	125.17	
		3/30	25.00	
			<u>150.17</u>	
Less:				
Outstanding Checks	(5,170.54)	<u>Check</u>	<u>Date</u>	<u>Amount</u>
<i>(checks you have written and posted         to your ledger, but they have not been         paid - or "cleared" - the bank)</i>		123	12/15	4.50
		125	1/4	17.55
		130	1/24	100.00
		131	3/15	678.99
		132	3/29	<u>4,369.50</u>
Reconciling items:				5,170.54
Add or Subtract				
Interest	(3.21)			
<i>(put into bank account but not yet receipted)</i>				
NSF Checks	50.00			
<i>(checks presented to you, receipted, but         the checks bounce when they get to the         bank)</i>				
Service Fees	5.00			
<i>(fees charged by bank - taken out of account         but not yet posted as disbursement to ledger)</i>				
Encoding Error	9.90			
<i>(bank runs a check you wrote for \$100.10         as \$110.00; they took out 9.90 too much)</i>				
Encoding Error	<u>(0.10)</u>			
<i>(bank runs a deposit you recorded at \$55.55         as \$55.65; they gave you \$.10 too much)</i>				
Subtotal	69,873.36			
Ledger Balance March 31	<u>69,873.36</u>			
Difference	<u><u>-</u></u>			





## BANK RECONCILEMENT EXAMPLE

Subtotal		69,873.36
Ledger Balance March 31		<u>69,873.36</u>
Difference		<u><u>-</u></u>
Fund Balances March 31		
General	32,016.35	
MVH	13,745.25	
LRS	4,321.10	
Park	1,234.90	
Water Utility	<u>18,555.76</u>	<u><u>69,873.36</u></u>







# BANK RECONCILEMENT EXAMPLE

Bank Reconciliation  
Town  
March

General Account Balance - March 31	\$ 74,832.14
Water Account Balance - March 31	18,555.79
Sewage Account Balance - March 31	\$ 11,123.45



## BANK RECONCILEMENT EXAMPLE

Ledger Balance March 31,		<u>80,861.04</u>
Difference		<u><u>-</u></u>
Fund Balances March 31		
General	32,016.35	
MVH	13,745.25	
LRS	4,321.10	
Park	1,234.90	
Water Utility	18,555.79	
Sewage Utility	<u>10,987.65</u>	<u><u>80,861.04</u></u>

# BANK RECONCILEMENTS

## Internal Controls

- Process in writing – internal control policy
- Reviewed by someone outside the reconciliation process
- Document review by others



## THINGS TO REMEMBER

- Complete monthly
- Verify reconciliation balances without variance
- Ensure internal controls are in place



## POSITIVE PAY AND REVERSE POSITIVE PAY

- What are they?
- How do they work?



POSITIVE  
PAY  
DEFINED

Check Positive Pay is a fraud mitigation service that provides early detection of fraudulent, altered or counterfeit checks through a daily verification of checks presented for payment against a check issue file.

## POSITIVE PAY – HOW IT WORKS

As soon as the local unit issues checks, they simply provide their bank with a check-issue file that contains the details of the checks they want to post to their account.

When checks are presented for payment, the bank will systemically compare the dollar amount and check number to the check-issue file ensuring that the information matches.

If the checks presented do not match, the bank will notify the local unit of the exception.

Using the check information as well as a digital image of the check, the local unit will need to review and decide whether they want the exception items to Pay or Return.



## REVERSE POSITIVE PAY DEFINED

Reverse Positive Pay provides early detection of fraudulent, altered, or counterfeit checks by allowing the local unit to review all prior day checks that were presented for payment. If any of the presented checks do not match the issued checks, the local unit can investigate further by viewing an image of the check. Each business day, the local unit is responsible for reviewing the report to determine if any items should be returned or paid within a certain period.



## REVERSE POSITIVE PAY – HOW IT WORKS

The day after checks are presented for payment, the bank will post a report of all items (except teller cashed items) for the local unit to review.

The report will contain check information such as the dollar amount and check number as well as digital images of the checks.

The local unit would then need to review and decide if any of the items should be returned.

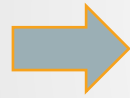
All items without a decision will be paid once the decision period ends.

# BANKING SERVICES: POSITIVE PAY FOR ISSUED CHECKS

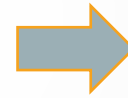


## Positive Pay

Send a file to the bank of daily issued checks



When checks are presented at the bank, the bank compares the name, amount and check number to your outstanding items



If a discrepancy is found the payment can be denied and returned through online banking service.

A similar process can be used with a debit block on a checking account. This would allow you to decide on all debits before payments post to your checking account.



## BANKING SERVICES: REVERSE POSITIVE PAY

The day after checks are presented, the bank will report all checks to local unit for review.

Local unit must review list of checks that are to clear the bank and decide if any should be returned.

If a discrepancy is found the local unit notifies the bank that the payment should be denied and returned.



## POSITIVE PAY – PROS AND CONS

### Pros with Positive Pay

- Local unit only has to review the exceptions, instead of 100% of the checks with Reverse Pay.

### Cons with Positive Pay

- Cost is more than with Reverse Positive Pay
- Local unit has certain amount of time to review the exception report to notify the bank whether to pay or return the check.

## REVERSE POSITIVE PAY – PROS AND CONS



### Pros with Reverse Positive Pay

- Cheaper than positive pay

### Cons with Reverse Positive Pay

- Have to review all checks issued to what is to clear to determine if they should be paid or not. The local unit determines the exceptions.
- Reverse Pay has a default decision to pay any items that haven't been decided by the cut-off deadline.

SUMMARY OF  
POSITIVE PAY AND  
REVERSE POSITIVE PAY



Each local governmental unit must determine which method, if any, is right for them.



Document board approval of either of these or other methods in the board minutes.



Implement internal controls related to whichever method is established.

# NEPOTISM AND CONFLICT OF INTEREST





# NEPOTISM

## **IC 36-1-20.2-10**

- Individuals who are relatives may not be employed by a unit in a position that results in one relative being in the direct line of supervision of the other relative.

## **IC 36-1-20.2-11**

- If an individual is employed by a unit on the date the individual's relative begins serving a term of an elected office, an individual may remain employed by a unit and maintain the individual's position or rank; however, the individual may not be promoted to a position that is in the direct line of supervision of the their relative.





# NEPOTISM

## **Direct Line of Supervision (IC 36-1-20.2-4)**

- If the elected officer or employee is in a position to affect the terms and conditions of the individual's employment, including making decisions about work assignments, compensation, grievances, advancement, or performance evaluation

# NEPOTISM

## Relative (IC 36-1-20.2-8)

- Spouse
- Parent or Stepparent
- Child or Stepchild
- Brother, Sister, Stepbrother, or Stepsister
- Niece or Nephew
- Aunt or Uncle
- Daughter-in-law or Son-in-law





# NEPOTISM

## **Employees Not Applicable (IC 36-1-20.2-2)**

- An individual who is employed by a unit on July 1, 2012, is not subject to this chapter unless the individual has a break in employment with the unit.



# NEPOTISM

## More Stringent Requirements (IC 36-1-20.2-9)

- Legislative Body shall adopt the minimum requirements set forth in this chapter of the statute
  - May adopt more stringent or detailed requirements
  - May apply to individuals who are exempted or excluded from this chapter
  - May prohibit the employment of a relative that is not otherwise prohibited



# NEPOTISM

## **Annual Certification (IC 36-1-20.2-16)**

- Each elected officer shall annually certify in writing that the officer has not violated the minimum requirements and if applicable the more stringent requirements adopted by the Legislative Body
- Retain locally for audit purposes



# NEPOTISM

## **Noncompliance (IC 36-1-20.2-17 & IC 36-1-20.2-18)**

- If we find that a unit has not implemented a policy, we are to forward that information to DLGF
- Upon receiving that information DLGF may not approve a unit's budget or additional appropriations



## Contract Disclosure Requirements IC 36-1-21-5

- A unit may enter into a contract for the procurement of goods and services or a contract for public works with an individual who is the relative of an elected official or a business entity that is wholly or partially owned by a relative of an elected official
  - Disclosure must be filed
  - Contract was the lowest bid, or
  - Certified statement made as to the reasons why the vendor or contractor was selected

CONFLICT  
OF  
INTEREST



“(d) A disclosure must:

- (1) be in writing;
- (2) describe the contract or purchase to be made by the governmental entity;
- (3) describe the pecuniary interest that the public servant has in the contract or purchase;
- (4) be affirmed under penalty of perjury;
- (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity before final action on the contract or purchase;
- (6) be filed within fifteen (15) days after final action on the contract or purchase with:
  - (A) the state board of accounts; and
  - (B) if the governmental entity is a governmental entity other than the state or a state supported college or university, the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase; and
- (7) contain, if the public servant is appointed, the written approval of the elected public servant (if any) or the board of trustees of a state supported college or university (if any) that appointed the public servant.”

# CONFLICT OF INTEREST



# CONFLICT OF INTEREST DISCLOSURE UPLOAD TOOL



## Conflict of Interest Disclosure Statement Upload Tool

The legal requirement for filing disclosures of conflict of interest can be found in the Indiana Code in Title 35 Section 44.1-1-4 (IC 35-44.1-1-4) available at <https://iga.in.gov/laws/2024/ic/titles/35#35-44.1-1-4/>. If you have any questions regarding this law or disclosure, you should contact your attorney for legal advice.

Individuals are required to file this disclosure with the State Board of Accounts (SBOA) using this form: [COI Form](#). Once you have filled out the form, scan it as a pdf and upload using the tool below. If the Conflict of Interest is on multiple pages, all pages must be in one file, in order and in the correct orientation so that it is readable.

**NOTE:** The filename should be formatted with only one period before the extension (ex. .pdf, .tif, .jpg). Neither IBRC nor SBOA review the uploads for content. **It is the responsibility of the individual reporting the conflict of interest to verify that the document that was submitted is correct and complete.**

### Upload Disclosure Form

Enter the name of the individual required to disclose a conflict of interest:

Enter the email address of individual required to file this disclosure:

Select name of the Government Entity:

Select county  Select unit type  Select unit

Select the file to upload (PDF):



Type the code from the image



### **Noncompliance (IC 36-1-21-7 & IC 36-1-21-8)**

- If we find that a unit has not implemented a policy, we are to forward that information to DLGF
- Upon receiving that information DLGF may not approve a unit`s budget or additional appropriations

CONFLICT  
OF  
INTEREST

# FISCAL OFFICER TRAINING

A hand is shown writing the word "TRAINING" in blue marker on a whiteboard. A horizontal blue line is drawn below the word. The whiteboard is set against a light gray background with a reflection effect below it.

TRAINING

# FISCAL OFFICER TRAINING

- IC 36-4-10-8 (Cities)
  - Applicable to elected and appointed fiscal officer
    - Clerk-Treasurer / Controller
- IC 36-5-6-10 (Towns)
  - Only applicable to elected fiscal officer
    - Clerk-Treasurer



## FISCAL OFFICER TRAINING

- Three hourly training requirements per statute
  - First elected/appointed – 5 hours before take office
  - Year 1 of term – 14 hours
  - Within first 3 years of term – 36 hours
- What counts as “training courses”
  - State called meetings
  - Workshops
  - Formal academies
  - Special seminars
  - Training provided by professional association
  - Training provided by state agency or department
  - Training provided by public university

## FISCAL OFFICER TRAINING

- Documenting completion of hours
  - Fiscal officer maintains documentation of completion
  - Items that would be acceptable for audit purposes
    - Training certificates
    - Attendance records
    - Other sufficient documentation provided by host
  - File with SBOA annually

# NEW GATEWAY UPLOAD TOOL



[Dashboard](#)

[Report Search](#)

[Download](#)

[Tools](#)

[Learn More](#)

## An Open Door into Local Government Finance

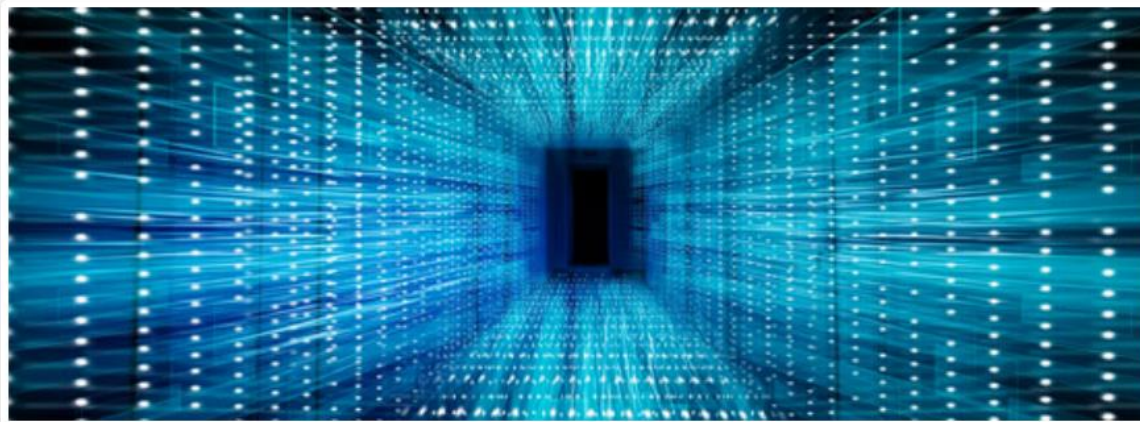
Gateway collects and provides access to information about how taxes and other public dollars are budgeted and spent by Indiana's local units of government.

[🔒 Local Officials: Login Here »](#)

[Conflict of Interest Upload Tool »](#)

[Interlocal Agreement Upload Tool »](#)

[Food and Beverage Tax Form Upload Tool »](#)



### Taxpayer Portal

Access all of the Gateway tools relating to individual taxpayers, such as assessed value and tax bill lookups, the referendum impact calculator and more.

## YEARLY TRAINING CERTIFICATION

- Only required for fiscal officer
- Complete on annual basis
  - Due 60 days after close of fiscal year
- What is included on the form
  - Name - First and Last
  - Title
  - Political Subdivision
  - IC Reference: 36-4-10-8 or 36-5-6-10
  - Date and Sign



YEARLY TRAINING  
CERTIFICATION

ELECTED OFFICIAL CERTIFICATION OF TRAINING COURSES

I, \_\_\_\_\_, the duly elected \_\_\_\_\_

*Print Name*

*Title*

for \_\_\_\_\_ certify that I received the required training

*Political Subdivision*

described in IC \_\_\_\_\_ .

*Indiana Code*

**Enter number of training course hours:**

First year of term: \_\_\_\_\_

Second year of term: \_\_\_\_\_

Third year of term: \_\_\_\_\_

Fourth year of term: \_\_\_\_\_

\_\_\_\_\_

*Date*

\_\_\_\_\_

*Signature*

**Statutory References:**

County Auditor	IC 36-2-9-2.5
County Treasurer	IC 36-2-10-2.5
County Recorder	IC 36-2-11-2.5
County Clerk	IC 33-32-2-9
City Clerk Treasurer / Controller	IC 36-4-10-8
Town Clerk Treasurer	IC 36-5-6-10
Township Trustee	IC 36-6-4-20

This certification should be filed annually with the State Board of Accounts by uploading it here:

[Link to Gateway Application](#)

# STALE DATED CHECKS

■ AD-Automatic Deposit ■ AP-Automatic Payment ■ ATM-Teller Machine ■ DC-Debit Card ■ T-Tax Deductible

NUMBER OR CODE	DATE	TRANSACTION DESCRIPTION	PAYMENT AMOUNT	✓	FEE	DEPO AMO
001	5/1	Mortgage	\$123612			\$
002	5/8	Supermarket (food)	8751			
003	5/11	Electricity	12785			
004	5/16	Real Estate Tax	35917			



## STALE DATED CHECKS

### Prepare a list of checks (IC 5-11-10.5-3)

- Outstanding two or more years at December 31<sup>st</sup> of preceding year
  - January 2025 – Checks written prior to 1/1/2023
- List requirements (IC 5-11-10.5-4):
  - Check date
  - Fund drawn from
  - Name of payee
  - Amount
  - Total of checks for each fund
- Not later than March 1<sup>st</sup> each year



## STALE DATED CHECKS

### Receipt in checks (IC 5-11-10.5-5)

- Provide copy of checks to Council
- Notify that they are stale/void
- Receipt into fund from which the checks were initially drawn
  - If unable to determine then receipt into General Fund



## Utilities – (IC 32-34-1.5-4(12))

- Applicable to refunds and deposits
  - i.e. meter deposits
- Deemed abandoned one year after becoming payable
  - Does not impact ability to hold deposit until final billing is complete
- Remit to Office of the Attorney General

STALE  
DATED  
CHECKS



# Indiana Unclaimed

- Unclaimed Property Division on Attorney General website  
(<https://www.indianaunclaimed.gov/>)
  - Report unclaimed property
    - Reporting Property dropdown
    - Report Unclaimed Property
    - Enter a Manual Report
  - Reporting Guidelines & Information
    - Reporting Property dropdown
    - Reporting Guidelines (shows reporting requirements and necessary due diligence)
  - Unclaimed Property Contact Information
    - About dropdown
    - Contact Us

STALE  
DATED  
CHECKS



## Utilities – Wastewater Overpayments (IC 36-9-23-28.5)

- Applicable to wastewater overpayments
  - NOT deposits
- Deemed abandoned seven years after termination of service
- Becomes property of municipality

STALE  
DATED  
CHECKS

# ARPA OBLIGATIONS







**ARPA  
FUNDING  
DEADLINES**

- All funds are to be obligated by December 31, 2024
- Funds for Title I projects and Surface Transportation projects must be expended by September 30, 2026
- Funds for all other eligible uses must be spent or expended by December 31, 2026



## WHAT IS AN OBLIGATION?

- An order placed for property and services and entry into contracts, subawards, and similar transactions that require payment, which may include:
  - An order placed for property or services
  - Contract
  - Subaward
  - Certain interagency agreements
  - Payroll expenses under certain circumstances
  - Legal and Administrative Costs



**AN  
OBLIGATION  
IS NOT**

- An adopted budget or budget amendment
- An appropriation of SLFRF funds
- An executive order
- A resolution
- A written or oral intention to enter into a contract
- A grant of legal authority to enter into a contract
- **Claiming funds under the revenue loss category**
- Moving SLFRF funds to a general fund as revenue loss but not further establishing an obligation with those funds by 12/31/2024



# PERSONNEL COSTS IN 2025 AND 2026



If the employee is serving in a **POSITION** established and filled prior to 12/31/2024, this would be an allowable obligation



Costs must be expended in connection with an eligible use of **SLFRF**



## Eligible costs:

- All salaries and wages
- Covered benefits
- Payroll taxes

# PAYROLL OBLIGATION

- Pass Resolution to obligate payroll
  - Positions to be paid
  - Estimated amounts
    - Include salary ordinance or supporting documentation



# MODIFYING EXISTING CONTRACTS

## Change

Can fund change orders, including cost adjustments if:

- Contract or agreement includes provision allowing change orders or
- There is a contingency clause permitting a cost increase

## Amend

- Can amend existing contracts after deadline if contract is within substantially the same scope and purpose as the original

## Replace

Can replace an existing contract only if:

- Contract terminated due to business default, closure, inability to perform
- Mutual agreement to terminate
- Recipient termination when contract was not properly awarded

Replacement contract must be within substantially the same scope and purpose as the original



**ARPA  
FUNDING  
(RESOURCES)**

- Obligation Interim Final Rule
- [https://home.treasury.gov/system/files/136/Obligation\\_Interim\\_Final\\_Rule\\_2023.pdf](https://home.treasury.gov/system/files/136/Obligation_Interim_Final_Rule_2023.pdf)
  - Obligation definition listed on page 3
- SLFRF Final Rule FAQ
- <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf>
  - Section 17 addresses obligations



# QUESTIONS

**Mitch Wilson and Beth Goss**

Government Technical Assistance & Compliance Directors

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

317-232-2513