

**TOWNSHIP BULLETIN
ISSUED BY STATE BOARD OF ACCOUNTS**

Volume 346, Page 1

September 2024

ITEMS TO REMEMBER

OCTOBER

- October 1: Prove all ledgers for the prior month
- October 12: Last day to post notice to taxpayers of proposed 2025 budgets and net tax levies and a public hearing (Budget Form 3) to Gateway. (Notice must be posted at least 10 days before the public hearing, which must occur at least 10 days before the adoption.) [IC 6-1.1-17-3]
- October 14: Columbus Day – Legal Holiday [IC 1-1-9-1]
- October 15: Deadline to upload monthly bank reconcilements, bank statements, outstanding check lists, approved board minutes, and funds ledger, summarizing total receipts, disbursements, and balances by fund for August 2024 to Gateway. [State Examiner Directive 2018-1 (Amended October 2023)]
- October 20: If your monthly average tax withheld is more than \$1,000, the 20th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue.
- October 22: Last possible day for Townships to hold a public hearing on their 2025 budgets. Public hearing must be held at least 10 days before budget is adopted. [IC 6-1.1-17-5]
- October 30: If your monthly average tax withheld is \$1,000 or less, the 30th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue.
- October 31: IRS Form 941 (Employer’s Quarterly Federal Tax Return) due

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)]

NOVEMBER

- November 1: Prove all ledgers for the prior month.

Deadline for all Townships to adopt 2025 budgets, tax rates, and tax levies. [IC 6-1.1-17- 5(a)]
- November 5: Election Day – Legal Holiday [IC 1-1-9-1]

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NOVEMBER

- November 8: Last day for Townships to submit their 2025 budgets, tax rates, and tax levies to the DLGF through Gateway
- November 11: Veteran's Day – Legal Holiday [IC 1-1-9-1]
- November 15: Deadline to upload monthly bank reconcilements, bank statements, outstanding check lists, approved board minutes, and funds ledger, summarizing total receipts, disbursements, and balances by fund for September 2024 to Gateway. [State Examiner Directive 2018-1 (Amended October 2023)]
- November 20: If your monthly average tax withheld is more than \$1,000, the 20th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue.
- November 28: Thanksgiving Day – Legal Holiday [IC 1-1-9-1]
- November 30: If your monthly average tax withheld is \$1,000 or less, the 30th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue.

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)]

DECEMBER

- December 1: Prove all ledgers for the prior month.

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 15: Deadline to upload monthly bank reconcilements, bank statements, outstanding check lists, approved board minutes, and funds ledger, summarizing total receipts, disbursements, and balances by fund for October 2024 to Gateway. [State Examiner Directive 2018-1 (Amended October 2023)]
- 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)]

Last day for the Department of Local Government Finance to accept additional appropriation requests for the 2023 budget year from units. [IC 6-1.1-18-5]

PURCHASES OF COMPUTER HARDWARE AND SOFTWARE

The purchase of a computer system (hardware and software) is subject to the Public Purchase Law (IC 5-22-1-1 etc seq) unless the following criteria apply:

A purchasing agent may make a special purchase of data processing contracts or license agreements for:

- (1) software programs; or
- (2) supplies or services when only one (1) source meets the using agency's reasonable requirements. IC 5-22-10-7

Other provisions within IC 5-22-10 may be applicable.

PUBLIC PURCHASES

We often receive inquiries regarding how a township can purchase supplies utilizing a State contract.

IC 4-13-1-1 states in part, (c) ". . . the following entities may, with the consent of the commissioner of the department of administration, use the services of the department:... (4) A political subdivision, as defined in IC 36-1-2-13."

IC 5-22-10-15 states in part, (b) "A purchasing agent for a political subdivision may purchase supplies if the purchase is made from a person who has a contract with a state agency and the person's contract with the state requires the person to make the supplies or services available to political subdivisions, as provided in IC 4-13-1.6 or IC 5-22-17-9."

IC 5-22-17-9 states "A contract entered into by a state agency may require the contractor to offer to political subdivisions the services or supplies that are the subject of the contract under conditions specified in the contract." Please call the Department of Administration at 317-232-3150 for more information.

EXAMINATIONS AND INVESTIGATIONS

The following is an outline of the rates we charge for the services we provide.

Our rates, effective July 1, 2023, are listed below and available at: <https://www.in.gov/sboa/about-us/our-rates/>.

- Non-federal taxing unit and soil and water conservation district rate: \$395 per day
- Technology fee: \$55 per day
- Processing fee: \$35 per day
- Full direct and indirect cost rate: \$968 per day
- Procured audit and opt-out unit processing fee: \$375 per report
- Technical assistance fee for opt-out units: \$129.07 per hour

As always, the entities audited by the State Board of Accounts will continue to receive technical assistance and training from the State Board of Accounts without charge. We appreciate your understanding and support as we strive to maintain the quality of our services, and we look forward to our continued partnership.

EXAMINATION OF RECORDS AND STATEMENT OF ENGAGEMENT COST

At the end of an audit engagement the State Board of Accounts sends a notice of Statement of Engagement Cost to each political subdivision, including the County. This statement details a summary of the engagement including the number of days spent on the audit, the daily/hourly rate, and any report processing fees. We would like to point out that this statement is not an invoice that is to be paid by the entities.

A separate invoice for payment of these audit costs will be sent to the County for payment in accordance with IC 5-11-4. Immediately upon receipt of the certified statement, the county auditor shall issue a warrant on the county treasurer payable to the treasurer of state out of the general fund of the county for the amount stated in the certificate. The county auditor shall reimburse the county general fund, except for the expense of examination and investigation of county offices, out of the money due the taxing units at the next semiannual settlement of the collection of taxes.

If the county reasonably believes or knows that it does not have on hand or will not have collected enough taxes by the next distribution date for a taxing unit included on the examination of records billing, then the county auditor will send the certified statement to the taxing unit. The taxing unit should then contact the State Board of Accounts for directions on paying for the cost of the examination directly to the State Board of Accounts, instead of using settlement. It is important that the cost be paid off prior to the next audit. If the audit costs, due the State Board of Accounts, are not paid prior to the subsequent audit, it impairs the independence of the State Board of Accounts. This will delay future audits.

EXAMINATION OF RECORDS AND STATEMENT OF ENGAGEMENT COST (Continued)

As the amount of federal funding to local governments has increased, so has the need for single audits and more frequent audits which has helped drive up audit costs. We are now beginning to see this result in semiannual tax distributions that are not sufficient to pay the audit costs. It is important to plan and budget accordingly for these costs. It might be beneficial once an examination of records has been completed for the taxing unit to go directly to the county auditor if sufficient taxes will not be collected to pay the estimated costs of the examination of records. Having this conversation before receiving the certified statement from the county auditor can prepare the taxing unit for the payment of these costs. You can discuss with your field examiner during the exit conference how you may best meet the costs. This may involve the use of other funds such as Rainy Day or if there are ARPA funds remaining under the revenue loss category, those can also be used to pay audit costs. If you have questions after the exit conference, please feel free to reach out to your State Board of Accounts Director for further assistance in looking for funds that can pay the audit costs.

When determining how these costs will be paid, it is also important to plan for the next year. During this determination, take into consideration the amount of federal assistance that you have disbursed during the year. If you have expended \$750,000 or more of federal awards (whether the award is direct or passed-through another entity) in a year the taxing unit is required to have a single audit conducted in accordance with the Federal Office of Management and Budget's Uniform Guidance. Single audits require an annual audit. If your unit does not need a Single Audit, there may be a longer time between your examinations. Since these costs could become an annual expense for the taxing unit, future budgets would need to be adjusted for those costs.

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