

## RESOLUTION NO. 2016-4

### A MATERIALITY THRESHOLD POLICY

WHEREAS, The Fort Branch Town Council recognizes that IC 5-11-1-27(j) requires erroneous or irregular material variances, losses, shortages, or thefts of political subdivisions funds or property shall be reported immediately to the State Board of Accounts: and

WHEREAS, IC 5-11-1-27-(l), Which requires public officials who have actual knowledge of or reasonable cause to believe that there has been a misappropriations of public funds to immediately send written notice of the misappropriation of the State Board of Accounts and the prosecuting attorney.

WHEREAS, State Examiner Directive 2015-6 directs each political subdivision to determine its own policy on materiality; and

WHEREAS, The Town of Fort Branch does not condone any erroneous or irregular material variances, losses, shortages, or thefts of funds or property but recognizes that relatively small items may not justify the cost of the involvement of the State Board of Accounts;

NOW, THEREFORE, BE IT RESOLVED by the Fort Branch Town Council as follows:

It will be the policy of the Clerk Treasurer and Town Council President to report to the State Board of Accounts any erroneous or irregular variances, losses, shortages, or thefts of cash in excess of Five Hundred Dollars (\$500.00). In addition, all erroneous or irregular variances, losses, shortages, or thefts of cash which occur more than one time in a month and which the aggregate total is Five Hundred Dollars (\$500.00) or more shall be reported immediately to the State Board of Accounts. Exceptions shall be made for inadvertent clerical error that are identified timely and promptly corrected with no loss to the Town/Utility.

It will be the policy of the Clerk Treasurer and Town Council President to report promptly to the State Board of Accounts any erroneous or irregular variances, losses, shortages, or thefts of non-cash items in excess of Five Hundred Dollars (\$500.00), estimated market value, except for those resulting from inadvertent clerical errors or misplacements that are identified timely and promptly corrected with no loss to the Town/Utility, and except for losses from genuine accidents.

All erroneous or irregular variances, losses, shortages, or thefts shall be reported immediately to the Clerk Treasurer and Town Council President. The Town/Utility shall maintain records and documentation concerning erroneous or irregular variances, losses, shortages, or thefts in accordance with generally accepted accounting principles and internal control standards provided by the Indiana State Board of Accounts.

The Town/Utility shall investigate all erroneous or irregular variances, losses, shortages or thefts regardless of whether they meet the materiality threshold established by this resolution. Upon conclusion of each such investigation, the Town/Utility shall:

1. Implement procedures designed to prevent the recurrence of such incidents; and
2. Take appropriate disciplinary action against the employee responsible for the incident.

ADOPTED THIS 19TH DAY OF MAY, 2016.

FORT BRANCH TOWN COUNCIL

  
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ADAM BLEDSOE, PRESIDENT

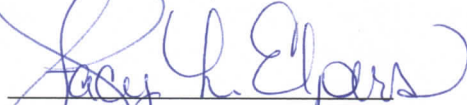
  
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SCOTT MICHAEL, COUNCIL MEMBER

  
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TOM HAUSCHILD, COUNCIL MEMBER

ATTEST (SEAL)

  
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STACY L. ELPERS, CLERK TREASURER

