

## **ORDINANCE 741**

### **AN ORDINANCE CREATING MATERIALITY POLICY**

#### **FOR THE TOWN OF YORKTOWN**

**WHEREAS**, IC 5-11-1-27(j) requires erroneous or irregular material variances, losses, shortages, or thefts of political subdivision funds or property shall be reported immediately to the State Board of Accounts;

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

**WHEREAS**, The Town of Yorktown will consider IC5-11-1-27(l), which requires public officials who have actual knowledge of or reasonable cause to believe that there has been misappropriation of public funds to immediately send written notice of misappropriation to the State Board of Accounts; and

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

#### **NOW, THEREFORE, BE IT ORDAINED:**

Section 1. The Town of Yorktown calls upon the Clerk-Treasurer, Town of Yorktown officials, employees, and agents to enforce and comply with the policy on materiality and process for reporting material items and to report noteworthy items to the State Board of Accounts.

Section 2. It will be the policy of the Clerk-Treasurer to report to the State Board of Accounts any erroneous or irregular variances, losses, shortages, or thefts of cash in excess of Two Hundred Fifty Dollars (\$250.00). 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 Two Hundred Fifty Dollars (\$250.00) or more shall be reported immediately to the State Board of Accounts. Exceptions shall be made for inadvertent clerical errors that are identified timely and promptly corrected with no loss to the Town.

Section 3. It will be the policy of the Clerk-Treasurer 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 Fifteen Hundred Dollars (\$1500.00) 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 and except for losses from genuine accidents.

Section 4. The Town of Yorktown shall investigate all erroneous or irregular variances, losses, shortages or thefts, regardless of whether they meet the materiality threshold established by this ordinance. Upon conclusion of each such investigation, the Town shall:

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

**PASSED AND ADOPTED** by the Town Council of the Town of Yorktown, Indiana, this \_\_\_\_ day of \_\_\_\_\_, 2016.

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Rich Lee, President

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Bob Flanagan

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Dan Flanagan

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Lon Fox

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Bob Ratchford

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Rick Glaub

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Laura Vise

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Beth Neff, Clerk-Treasurer