

ORDINANCE NO.: 2016-03
OF THE COMMON COUNCIL OF THE CITY OF FRANKLIN, INDIANA

**ORDINANCE OF THE CITY OF FRANKLIN DETERMINING THE MATERIALITY
THRESHOLD FOR REPORTING IRREGULAR VARIANCES, LOSSES, SHORTAGES
AND THEFTS**

WHEREAS, I.C.5-11-1-27 provides that all political subdivisions must develop their own policy of materiality for purposes of recognizing and reporting irregular variances, losses, shortages, and thefts which may occur; and

WHEREAS, I.C. 5-11-1-27(j) requires that all erroneous or irregular material variances, losses, shortages or thefts of City funds or property shall be reported immediately to the state board of accounts and that the City of Franklin may define what is considered material for reporting purposes; and

WHEREAS, the City of Franklin, Indiana (“City”) by and through its Common Council, acting in its capacity as the fiscal body of the City and acting as such designating body for purposes of I.C.5-11-1-27 is the best determiner of the qualitative and quantitative factors unique to the City of Franklin in arriving at materiality; and

WHEREAS, the Common Council has been provided a report from the City Clerk Treasurer regarding an analysis of any variances, losses, overages or shortages which occur within the political subdivision and the Common Council does find that said amounts are typically de-minimis and not material; and

WHEREAS, the City of Franklin through separate Ordinance is further maintaining and establishing a system of internal controls required to promote accountability and transparency; and

WHEREAS, the Common Council specifically recognizes, confirms and acknowledges that pursuant to I.C. 5-11-1-27(l) public officials who have actual knowledge of or reasonable

cause to believe that there has been a misappropriation of public funds shall send written notice of the misappropriation to the State Board of Accounts and the prosecuting attorney and nothing set forth in this materiality ordinance or ordinance adopting internal controls is intended to circumvent the provisions of the above cited statute; and

WHEREAS, the Clerk Treasurer's Office of the City of Franklin does maintain documentation regarding the assets, properties, and accounting of the monies and property of the City of Franklin and shall continue to do so in the future; and

WHEREAS, after thorough consideration and review the Common Council of the City of Franklin determines that in accordance with I.C. 5-11-1-27 the materiality level for the City of Franklin shall be the sum of five hundred dollars (\$500.00); and

WHEREAS, the Common council believes it is in the best interest of the Citizens of Franklin that the Council, as the fiscal body, should establish a policy of materiality.

NOW, THEREFORE, THE COMMON COUNCIL OF THE CITY OF FRANKLIN, INDIANA, ORDAINS AND ENACTS THE FOLLOWING:

- 1) That the above recitations are adopted as findings by the Common Council; and
- 2) It is further ordered and determined that the materiality level for the City of Franklin for purposes of I.C. 5-11-1-27 shall be the sum of five hundred dollars (\$500.00); and
- 3) It is further determined that the provisions of I.C. 5-11-1-21 are recognized and acknowledged as said statutes require public officials who have actual knowledge or reasonable cause to believe there has been a misappropriation of public funds shall immediately send written notice of the misappropriation to the State Board of Accounts; and
- 4) It is further determined and adopted that the materiality level for the City of Franklin shall be five hundred dollars (\$500.00) applicable to funds and to public property; and
- 5) It is further resolved that the office of the City of Franklin, Clerk Treasurer shall maintain all documentation related to the public funds and property of the City of Franklin as well as any documentation and resolution of incidents that do not meet the materiality threshold; and

6) It is further resolved that a copy of the materiality threshold shall be circulated by the Clerk Treasurer's Office to all department heads of the City of Franklin departments; and

7) It is further ordained that any ordinances inconsistent or in conflict with the terms of this ordinance are of no further force and effect and are specifically repealed. This ordinance shall be in full force and effect immediately upon adoption as set forth herein and approval by the Mayor.

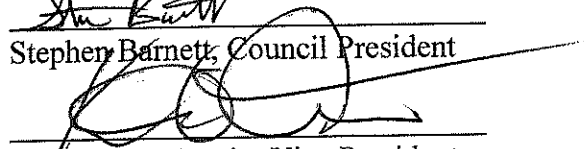
Introduced and Filed on the 7 day of March, 2016.

DULY PASSED on this 21 day of March, 2016 by the Common Council of the City of Franklin, Johnson County, Indiana, having been passed by a vote 7 in Favor and 0 Opposed.

City of Franklin, Indiana, by its Common Council:

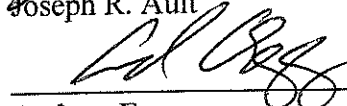
Voting Affirmative:

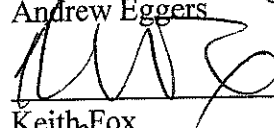

Stephen Barnett, Council President

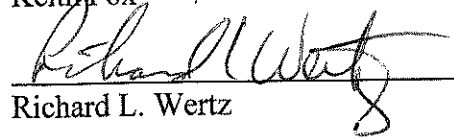

Kenneth W. Austin, Vice President


Joseph P. Abban


Joseph R. Ault


Andrew Eggers


Keith Fox


Richard L. Wertz

Voting Opposed:

Stephen Barnett, Council President

Kenneth W. Austin, Vice President

Joseph P. Abban

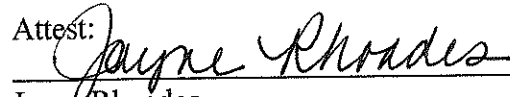
Joseph R. Ault

Andrew Eggers

Keith Fox

Richard L. Wertz

Attest:

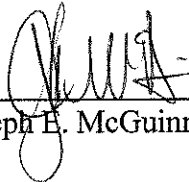

Jayne Rhoades
City Clerk Treasurer

Presented by me to the Mayor of the City of Franklin for his approval pursuant to Indiana § 36-4-6-15, 16 this 21 day of March, 2016 at 6:17 o'clock P.M.



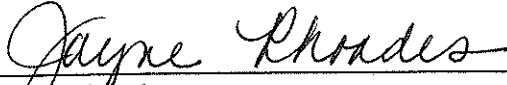
Jayne Rhoades
City Clerk Treasurer

This Ordinance having been passed by the legislative body and presented to me was approved by me and duly adopted, pursuant to Indiana Code § 36-4-6-16a)(1) this 21 day of March, 2016 at 6:17 o'clock P.M.



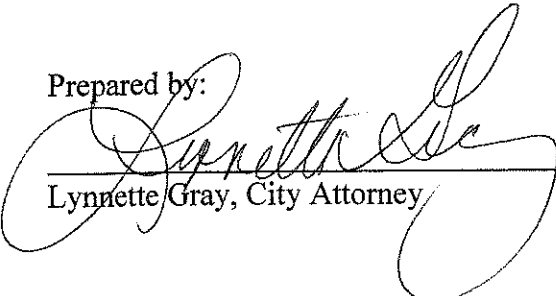
Joseph E. McGuinness, Mayor

Attest:



Jayne Rhoades
City Clerk Treasurer

Prepared by:


Lynnette Gray, City Attorney