

**RESOLUTION 2024-01**  
**RESOLUTION OF THE TOWNSHIP BOARD OF**  
**MADISON TOWNSHIP, MORGAN COUNTY, INDIANA**

Regarding variance thresholds applicable to Madison Township

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; and

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

Whereas, the Township Board 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

Whereas, the Trustee has issued a directive, attached hereto as Appendix, stating a policy on materiality and a process for reporting material items;

Now, therefore, be it resolved:

Section 1. The Township Board hereby endorses the Trustee's declaration, attached as Appendix, regarding a policy on materiality and a process for reporting material items.

Section 2. The Township Board calls upon the Trustee and all Township 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 Township Board Oversight Committee or the full Township Board.

Section 3. The Township Board directs its Oversight Committee, consisting of the President and Vice President of the Board, to monitor, as it deems necessary, compliance with the policy on materiality and process for reporting material items and report noteworthy items to the full Township Board.

Section 4. The Township Board asks the Trustee to advise the Township Board of any changes in the policy on materiality and process for reporting material items.

Adopted this 27th day of February 2024.

AYE

NAY

*[Handwritten signature]*

*Nelson Hogart*

*[Handwritten signature]*

ATTEST:

*[Handwritten signature]*

Larry Ellis, Madison Township Trustee

## Appendix – Resolution 2024-01

### TRUSTEE DIRECTIVE

#### Policy on Materiality and Process for Reporting Material Items

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; and

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

Whereas, the Township has taken into consideration the requirements of IC 5-11-1-27(1), which are not subject to materiality; and

Whereas, the Township 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;

Now, therefore, I, Larry Ellis, Trustee of Madison Township, Morgan County direct as follows:

Section 1. All erroneous or irregular variances, losses, shortages, or thefts of Township subdivision funds or property, or funds or property the Township holds in trust, shall be reported to the Trustee or his designee promptly.

Section 2. It will be the policy of the Trustee to report to the Oversight Committee of the Township Board any erroneous or irregular variances, losses, shortages, or thefts of cash in excess of \$500, except for inadvertent clerical errors that are identified timely and promptly corrected with no loss to the Township.

Section 3. It will be the policy of the Trustee to report to the Oversight Committee of the Township Board any erroneous or irregular variances, losses, shortages, or thefts of non-cash items in excess of \$2000, 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 Township, and except for losses from genuine accidents.

Section 4. It will be the policy of the Trustee to report to the State Board of Accounts any erroneous or irregular variances, losses, shortages, or thefts of cash in excess of \$500, except for inadvertent clerical errors that are identified timely and promptly corrected with no loss to the Township.

Section 5. It will be the policy of the Trustee 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 \$2000, 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 Township, and except for losses from genuine accidents.

Section 6. All Township elected officials are asked, and all Township employees and agents are directed, to comply with this policy, and the Township Board is asked to endorse it.

Executed this 5<sup>th</sup> day of February, 2024.

  
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TRUSTEE

