

ORDINANCE NO. 2025- 19

ORDINANCE REVISING INTERNAL CONTROL STANDARDS

WHEREAS, I.C. 5-11-1-27 requires all Indiana political subdivisions to adopt minimum levels of internal control standards developed by the State Board of Accounts as published in the Uniform Internal Control Standards for Indiana Political Subdivisions prior to June 30, 2016; and

WHEREAS, the Town Council adopted an Internal Control Policy and Procedures in 2016 and 2017; and

WHEREAS, the Town Council and Clerk-Treasurer has reviewed said Internal Control Policy and Procedures and determined revisions were required.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF CHALMERS, INDIANA, THAT:

Section 1: The Town of Chalmers hereby adopts the revised Internal Control Policy and Procedures attached hereto and incorporated herein as Exhibit A.

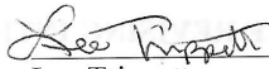
Section 2: The Clerk-Treasurer is directed to ensure that all personnel receive training concerning the internal control procedures adopted and approved herein.

Section 3: Said ordinance shall be in full force and effect from and after its passage, approval and publication according to law.

Passed and adopted by the Town Council of the Town of Chalmers on the 9th day of December, 2025.

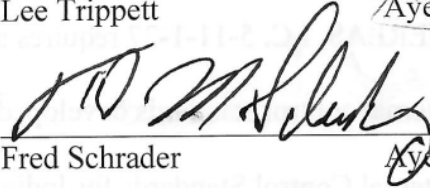
Pamela S Brown
Pamela Brown, President ☒ Aye ☐ Nay

Amy LaOrange
Amy LaOrange ☒ Aye ☐ Nay



Lee Trippett

☒ Aye ☐ Nay



Fred Schrader

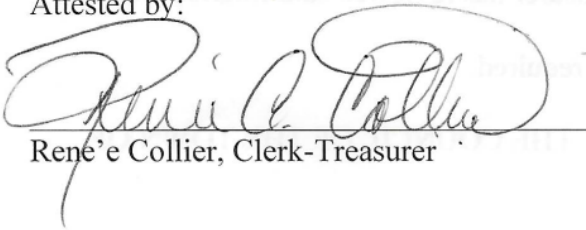
☒ Aye ☐ Nay



Josh Rinehart

☒ Aye ☐ Nay

Attested by:



Rene'e Collier, Clerk-Treasurer

INTERNAL CONTROL POLICY AND PROCEDURES

(Revised 2025)

DUTIES

CASH RECEIPTS

- The Clerk-Treasurer and the Deputy Clerk open all mail and write receipts for money received from utility customers.
- The Deputy Clerk and Clerk Treasurer will both be present when drop box is emptied and the Clerk Treasurer will initial the night drop log.
- The Deputy Clerk will make up the bank cash deposit and then will take it to the bank at which time he/she will verify the amount. A check reader will be used to deposit customer's checks. The Clerk Treasurer will review and initial all deposits upon their return from the bank. Electronic deposit slips are attached to the checks and filed by year.
- The Deputy Clerk will post payments to the customer's account and make adjustments to these accounts as needed after the approval of the Clerk Treasurer or Utility Board if needed.
- The Town Council has authorized the Clerk-Treasurer to make adjustments on sewage, if the customer had a leak and the leak has been repaired. The sewage will be adjusted down to the average sewage bill from the previous months. Water and sewage may be adjusted when the electronic reader malfunctions.
- The Deputy Clerk will prepare the customer utility bills. The Town Employee uses the automatic read meters that read back to the deputy clerks office via the installed software. The Deputy Clerk transfers the data to Keystone Utility. The Deputy Clerk prepares the utility bill. The billing cards are broken down, sorted and stamped and taken to the Post Office by the Deputy Clerk.
- Bad debt can only be written off with the approval of the Utility Board. The Town Council will also approve all Accounts Receivable adjustments.
- Miscellaneous receipts of the previous month will be presented to council at the first meeting of the month for council to review and sign for approval.

CASH DISBURSEMENTS

- The Clerk-Treasurer, Deputy Clerk and Town Marshal have the authority to purchase goods and services up to the amount of Five Hundred Dollars (\$500.00) each per month. They will ensure the receipts are correct and deliver them to the Clerk-Treasurer. The Clerk-Treasurer will then mark on the receipt the Fund from which money will be disbursed, in accordance with where the goods and services will be used.

- The Clerk-Treasurer prints all checks. All blank checks are maintained in the office of the Clerk-Treasurer and he/she is the only one with access to the check stock. The checks are printed using Keystone Fund. The Clerk-Treasurer will post and **sign**, both the APV and the check. The Clerk Treasurer will then mail the checks and file the APV's by month in the Clerk-Treasurer's office. After the books are closed at year-end, the APV's are moved to storage.
- The Town Council will approve the Claims at the regular bi-monthly Board Meeting. The Clerk-Treasurer, using Keystone Fund, generates the Claims sheets. The Town Council looks through all of the line items and the Clerk-Treasurer will stand by to answer any questions and can produce documentations of all disbursements. The Town Council approves claims prior to payment with the exception of recurring payments and payments pre-approved by the Town Council.
- The Clerk-Treasurer will make all electronic transfers. A Fund Report with Investments will be generated and approved by the council on the 1st meeting each month. The Clerk-Treasurer approves all cash adjustments.
- All programs and computers are password protected. The Clerk-Treasurer has passwords that will allow him/her to make changes and make entries on the Keystone programs. The Deputy Clerk has **access to** Fund, Utility, and Payroll as these are shared files. The Deputy Clerk and Clerk Treasurer randomly check each other's files.

PAYROLL

- The Clerk-Treasurer inputs all new employees in Payroll and updates their records as needed. The Deputy Clerk prepares all payroll claims and enters them into Keystone Payroll. The Clerk-Treasurer reviews all time cards and verifies that hours worked and all pay information is correct before the checks are written or information is sent to bank for direct deposit into employees' accounts. The software prepares the W-2 Forms and the Clerk-Treasurer compares them to the yearly budget. All Paid Time Off is also figured by the software and approved by the Clerk-Treasurer. All earnings and deduction reports are generated by Keystone Payroll. All payrolls are on the Claims and approved at the bi weekly meetings by the Town Council after the disbursement have been made.
- All employees that are paid by direct deposit The Clerk-Treasurer has access to the online account for all employees that are paid by direct deposit which is password protected and protected by passwords which is the control of the Clerk-Treasurer and Deputy Clerk.
- The Clerk-Treasurer is the only person that is authorized in Keystone Payroll to make any changes.

BANK RECONCILIATION

- The bank statement is online. The Clerk-Treasurer will gain access to the online banking using a password.
- The Clerk-Treasurer will open the Monthly Reconciliation tab on the Keystone Fund program.
- The Clerk-Treasurer will bump the outstanding checks between the bank statement and the Monthly Reconciliation program.
- The Clerk-Treasurer will compare the Receipt vouchers with the bank statement to ensure all receipts are entered on the bank statement.
- When the bank reconciliation agrees with the Fund Report, the Clerk-Treasurer will print the Depository Statement and Cash Reconciliation and upload it to the SBOA through Gateway.

GRANTS

- Council will help with the monitoring of all grants and the compliance of these grants. The Council President will be responsible for reviewing and signing all grant documents, and the Clerk's office will submit all forms to the grant administrator after review.
- The Clerk Treasurer will track all receipts and disbursements of Grant funding in the spreadsheet created in excel.
- The Clerk Treasurer will create fund accounts for receipts and disbursements for Grants and loans which will be reviewed by the Council President and Clerk Treasurer, and they will sign the Review and Acceptance of Newly Created Funds for Grants and Loans sheet.

FINANCIAL CLOSE AND REPORTING

- The Clerk-Treasurer will enter all the financial records at the end of the year. All the information shall be entered into GATEWAY. The records may be transferred electronically through Keystone, but currently the Clerk-Treasurer enters all the information by hand to ensure accuracy.
- The Certification of Schedule of Expenditures of Federal Awards (SEFA) Review and Approval Signature Page will be signed by the Deputy Clerk, Clerk Treasurer and Council President after review of the notes to SEFA on Gateway stating it has been reviewed and is ready for submission in Gateway. The financial advisor will sign that it has been reviewed and approved for Internal Controls Purposes.

- The Town Council approves the Annual Report and the Financial Statements prepared by the Clerk-Treasurer. The Deputy Clerk, Clerk Treasurer and Council President shall sign that the Annual Financial Report (AFR) has been reviewed and approved for submission into Gateway on the AFR Certification page and the Financial Advisor will sign that the report was reviewed and approved for Internal Control purposes.

NOTES TO THE FINANCIAL STATEMENT

- All of the required information by GATEWAY will be entered by the Clerk-Treasurer and approved by the Town Council.

CONTROL ENVIRONMENT

- The Clerk-Treasurer will develop and alter policies for Internal Controls as this evolves through education as the State Board of Accounts find new issues that need to be addressed in the Internal Control Policies.
- The Town of Chalmers Clerk-Treasurer Directive, Policy on Materiality and Process for Reporting Material Items is available and explains the thresholds for cash and non-cash misappropriations and to report those issues to the State Board of Accounts. In addition, it is this office's policy to report ALL matters of any size to the Town Council.
- A Financial Packet will be prepared for the Town Council Members to keep in their files. The Financial Packet consists of the Monthly Fund Report, Appropriation Report, and Depository Statement and Cash Reconcilements Reports.
- The Town Council will review and approve all Monthly Claims at the monthly meeting. The Clerk-Treasurer will be available to the Town Council while they look over the docket to answer any questions they may have prior to signing their approval.
- The Clerk-Treasurer will educate the Town Council on a regular basis to give them a working knowledge of the day-to-day operations of the Financial Office.
- The Clerk-Treasurer does regular back-ups to all of the Keystone Programs on a USB Flash Drive which is kept off-site in the possession of the Clerk-Treasurer. The computer system will have some sort of anti-virus program. Computer passwords will be changed periodically. All creators of passwords are encouraged to not use names of family members, anniversary, and birth dates. Passwords are the property of the originator and are NOT given to anyone.
- Access to documents, records, computer programs, and assets will be locked up when not in use.
- For all new employees, the Clerk-Treasurer will fill out a Form I-9, Employment Eligibility Verification and verify the information in Section 2. The new employee will be given a

Town of Chalmers Employee Handbook. A service jacket will be established and become the property of the Town of Chalmers.

BANK RECONCILIATIONS

- All Bank Reconciliations will be submitted to the Council for review and accuracy, and the Council President will sign as the Council's acceptance of the accuracy of all Bank Reconciliations.

MONTHLY MINUTES

- The Clerk Treasurer will present monthly minutes folders to the council for their review, and the Council President will sign as the Council's acceptance of the files being complete.

TOWN CALENDAR

- The Clerk Treasurer will keep a calendar and encourage the Council, Deputy Clerk and Street and Utility Superintendent to participate, that will include paid holidays, days bills are due and any upcoming deadlines every one should be aware of.

RISK ASESMENT PROCESS

- The Town Council will review the Financial Packet at the monthly board meetings.
- When areas have been identified to be exposed to fraud risk, the policies will be reviewed and changed to minimize the risk of financial fraud.

INFORMATION AND COMMUNICATION PROCESS

- The Clerk-Treasurer is open and encourages their employee to report ANY suspected fraud and it should be reported immediately.
- All Internal Control findings issued by the State Board of Accounts are addressed and corrected in a timely fashion.

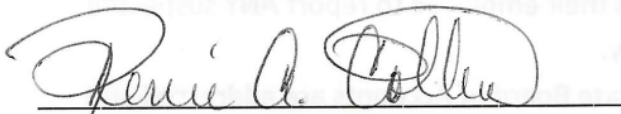
MONITORING PROCESS

- The Town Council reviews the Clerk-Treasurer's monthly Financial Packet.
- The Clerk-Treasurer attends training sessions provided by the State Board of Accounts, Department of Local Government Finances, Gateway, Accelerate Indiana Municipalities, and the Indiana League of Municipal Clerk-Treasurers. Education will be the key to identifying problems and weaknesses in Internal Controls.

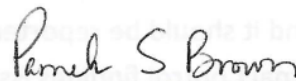
IT ENVIRONMENT AND GENERAL COMPUTER CONTROLS

- The Clerk-Treasurer's office uses the computer for the following:
 1. Maintains ledgers
 2. Writes and posts checks
 3. Payroll
 4. Post Receipts
 5. Bank Reconciliation
 6. Budget Maintenance
 7. Capital Asset Management
 8. Claim Dockets
 9. Utility Bills
 10. Utility Payments
 11. Post Utility Receipts
 12. Calculates Bills
- All data is stored in electronic files with limited hard copies available. Back-ups are stored off-site.
- The Clerk-Treasurer and the Deputy Clerk use multiple spreadsheets for day-to-day business.
- Keystone emails all changes and updates to their programs.
- When the Clerk-Treasurer or the Deputy Clerk log into the Keystone program, it is recorded who logged into the program and which changes they made.

The Town of Chalmers believes that the key to Internal Controls is continued education, by going to programs sponsored by AIM, ILMCT, SBOA, and DLGF. The Town of Chalmers believes that networking with other communities is a further way to understand the needs and resources to strengthen the Internal Controls in our community.



Rene'e Collier, Clerk Treasurer
Town of Chalmers



Pamela S Brown, Town Council President
Town of Chalmers

Executed this 9th day of December, 2025.