

**ORDINANCE NO. 2016-03**  
**AN ORDINANCE ESTABLISHING A MATERIALITY THRESHOLD**

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

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

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

**WHEREAS**, the Town of Geneva 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 Town Council of the Town of Geneva, State of Indiana, as follows:

1. 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 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 errors that are identified timely and promptly corrected with no loss to the Town of Geneva.

2. 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 Two Thousand Dollars (\$2,000.00), 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.

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

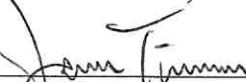
4. The Town shall investigate all erroneous or irregular variances, losses, shortages or thefts, regardless of whether they meet the materiality threshold established by this resolution. Upon conclusion of each such investigation, the Town shall implement procedures designed to prevent the recurrence of such incidents and take appropriate disciplinary action against the employee responsible for the incident.

Duly passed, adopted by the Common Council on June 7, 2016.


**TOWN COUNCIL OF GENEVA, INDIANA**

  
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Richard Clutter, President

  
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James Timmons

  
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Agnes Schoch

ATTEST:

  
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Jane Kaverman, Clerk-Treasurer