

**ORDINANCE 2018-3**  
**ADOPTING MATERIALITY THRESHOLD**

An Ordinance adopting a Materiality Threshold for the Town of Markleville, Indiana and the Markleville Municipal Sewer Works as required by State statute.

WHEREAS, the Town of Markleville, Indiana and the Markleville Municipal Sewer Works recognize that Indiana Code § 5-11-1-27(j) requires that all 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, Indiana Code § 5-11-1-27(j) 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 Markleville, Indiana and the Markleville Municipal Sewer Works does not condone any erroneous or irregular material variances, losses, shortages, or thefts of Town or Utility funds or property but recognizes that relatively small items may not justify the cost of the involvement of the State Board of Accounts.

**IT IS THEREFORE ORDAINED MATERIALITY THRESHOLD**

(A) It will be the policy of the Clerk-Treasurer of the Town of Markleville, Indiana 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). 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) 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 and/or the Utility;

(B) 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 Five Thousand Dollars (\$5,000.00) estimated fair 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/or the Utility, and except for losses from genuine accidents;

(C) All erroneous or irregular variances, losses, shortages, or thefts shall be reported immediately to the Clerk-Treasurer. The Town and the Utility 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;

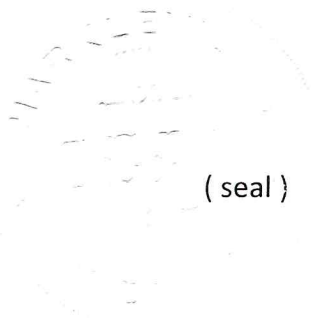
(D) The Town and the Utility shall investigate all erroneous or irregular variances, losses, shortages or thefts, regardless of whether they meet the Materiality Threshold established by this Ordinance.



Upon conclusion of each such investigation, the Town and/or the Utility shall:

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

ALL OF WHICH IS ORDAINED by the Common Council of the Town of Markleville, Indiana  
 this the 22 day of January, 2018.




( seal )

COUNCIL TRUSTEES  
 TOWN OF MARKLEVILLE  
 MADISON COUNTY, INDIANA

  
 \_\_\_\_\_  
 Matthew Gustin, Member


\_\_\_\_\_  
 Daniel Roseberry, Member

  
 \_\_\_\_\_  
 Floyd Fesmire, Member

Attest:   
 \_\_\_\_\_  
 Mark E. Evans, Clerk-Treasurer

DOCUMENT PREPARED BY: MARK EVANS

I affirm, under the penalties for perjury,  
 that I have taken reasonable care to redact  
 each Social Security number in this  
 document, unless required by law.

  
 \_\_\_\_\_  
 MARK EVANS

**END OF DOCUMENT**