

## **ORDINANCE NO. 2016-16**

### **AN ORDINANCE CONCERNING THE MATERIALITY THRESHOLD POLICY**

**WHEREAS**, the Town of Nashville, Brown County, Indiana, Town Council recognizes that IC 5-11-1-27(1), 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**, IC 5-11-1-27(1), which requires public officials who have actual knowledge of or reasonable cause to believe that there has been a misappropriations of public funds to immediately send written notice of the misappropriation to the State Board of Accounts and the prosecuting attorney.

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

**WHEREAS**, the Town of Nashville does not condone any erroneous or irregular material variances, losses, shortages, or thefts of all 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 ORDAINED** by the Nashville Town Council as follows:

The Town of Nashville calls upon the Clerk-Treasurer, Town of Nashville officials, employees, and agents to enforce and comply with the policy on materiality and process for reporting material items.

All erroneous or irregular variances, losses, shortages, or thefts shall be reported immediately to the Clerk-Treasurer. The Town of Nashville 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.

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 Nashville.

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 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 of Nashville, and except for losses from genuine accidents.


The Town of Nashville shall investigate all erroneous or irregular variances, losses, shortages or

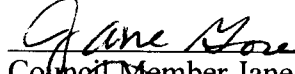
**ORDINANCE NO. 2016-16**


thefts, regardless of whether they meet the materiality threshold established by this ordinance. Upon conclusion of each such investigation, the Town of Nashville 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.

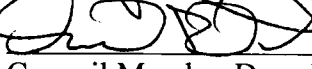
**PASSED AND ADOPTED** by the Nashville Town Council this 15<sup>th</sup> day of DECEMBER 2016.

  
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Council Member Charles B. King      ☒ yea    nay    abstain

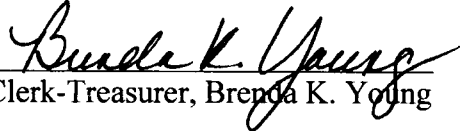
  
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Council Member Jane Gore      ☒ yea    nay    abstain

  
\_\_\_\_\_  
Council Member Alisha Gredy      ☒ yea    nay    abstain

  
\_\_\_\_\_  
Council Member Arthur Omberg      ☒ yea    nay    abstain

  
\_\_\_\_\_  
Council Member Dave Rudd      ☒ yea    nay    abstain

ATTEST:

  
\_\_\_\_\_  
Clerk-Treasurer, Brenda K. Young