

RESOLUTION NO. 2016-02.

RESOLUTION OF THE WOLCOTT TOWN COUNCIL  
MATERIALITY POLICY REGARDING VARIANCE THRESHOLDS APPLICABLE  
TO THE TOWN OF WOLCOTT, INDIANA

WHEREAS, IC 5-1 1-1-270) 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 Wolcott Town Council does not condone any erroneous or irregular 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 Town Clerk-Treasurer has issued a directive, attached hereto as Appendix I, stating a policy on materiality and a process for reporting material items.

NOW, THEREFORE, BE IT HEREBY RESOLVED

Section 1. The Town Council of Wolcott, Indiana, hereby endorses the Clerk-Treasurer's declaration, attached as Appendix I, regarding a policy on materiality and a process for reporting material items.

Section 2. The Town Council of Wolcott, Indiana calls upon the Clerk-Treasurer and all Town 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 Town Council and to report the same to the State Board of Accounts as set forth in Appendix I.

Section 3. The Town Council of Wolcott, Indiana, directs that the Town Council, Town employees and agents, and the Clerk-Treasurer shall monitor compliance with the policy on materiality at the regularly scheduled Town Council meeting after the discovery of any violation of said materiality policy and shall continue to monitor the compliance until such violation is rectified.

Section 4. The Town Council of Wolcott, Indiana, requests the Clerk-Treasurer to advise the Town Council of any changes in the policy on materiality and process for reporting material items.

**PASSED AND ADOPTED** by the Town Council of the Town of Wolcott, Indiana on this \_\_\_\_\_ day of April, 2016.

**TOWN COUNCIL, TOWN OF WOLCOTT, INDIANA**

Aye

Nay

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Marsha L. Mackey, Council President

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Marsha L. Mackey, Council President

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Michael A. Yelton, Council Vice President

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Michael A. Yelton, Council Vice President

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Richard A. Lynn, Council Member

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Richard A. Lynn, Council Member

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Fred A. Young, Council Member

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Fred A. Young, Council Member

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Steven B. Gordon, Council Member

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Steven B. Gordon, Council Member

ATTEST:

\_\_\_\_\_  
Tammy L. Seward  
Clerk-Treasurer

## APPENDIX 1

### MATERIALITY POLICY REGARDING VARIANCE THRESHOLDS APPLICABLE TO THE TOWN OF WOLCOTT, INDIANA

WHEREAS, IC 5-1 1 -1 -270) 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 20 15-6 directs each political subdivision to determine its own policy on materiality; and

WHEREAS, the Wolcott Town Council does not condone any erroneous or irregular 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, **Tammy L. Seward**, Clerk-Treasurer of the Town of Wolcott, Indiana, direct as follows:

Section 1. All erroneous or irregular variances, losses, shortages, or thefts of the Town subdivision funds or property, or funds or property the Town holds in trust, shall be reported to the Clerk-Treasurer or his designee promptly upon discovery.

Section 2. It will be the policy of the Clerk-Treasurer to report to the State Board of Accounts and to the Town Council of Wolcott, Indiana, any erroneous variances, losses, shortages, or thefts of cash in **excess of \$100.00**, except for inadvertent clerical errors that are identified timely and promptly corrected with no loss to the Town. The Clerk-Treasurer shall report any and all erroneous variances, losses, shortages, or thefts of cash of **\$20.00** or more occurring on a repetitive basis lasting for four weeks or more.

Section 3. It will be the policy of the Clerk-Treasurer to report promptly to the State Board of Accounts and the Town Council of Wolcott, Indiana, any erroneous variances, losses, shortages, or thefts of non-cash items in excess of **\$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, except for losses from genuine accidents.

Section 4. All Town elected officials are requested, and all Town employees and agents are directed, to comply with this policy, and the Town Council if requested to endorse it.

Section 5. The Clerk-Treasurer shall, when an irregular variance, loss, shortage, or theft is determined material according to the Town's policy on materiality, report the incident to the State Board of Accounts. This reporting may take place through a reporting link on the State Board of Accounts website, by e-mail, or in person.

DATED on April \_\_\_\_\_, 2016.

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**Tammy L. Seward, Clerk-Treasurer**