

# RECORDER'S PERPETUATION FUND

Recorder's Annual Conference  
2016

## OVERVIEW OF FUND ACCOUNTING

- ▶ A fund is defined as a separate accounting entity, established from various sources, that is self balancing reporting the current cash balance as well as receipts and disbursements for the calendar year.
- ▶ All funds require appropriation before disbursements can be made, unless there is specific statutory authority to spend without appropriation.
- ▶ Fund Types
  - ▶ General Fund
  - ▶ Special Revenue Funds
- ▶ Statutory funds

## IC 36-2-7-10(d)

- ▶ The county treasurer shall establish a recorder's record perpetuation fund. All revenue received under section 10.1 of this chapter, subsection (b)(5), (b)(8), (b)(9), and (b) 10, and IC 36-2-7.5-6(b)(1) and fifty cents from revenue received under (b)(11), shall be deposited in this fund. Except as provided in section 10.2 of this chapter, the county recorder may use any money in this fund without appropriation for:
  - ▶ (1) the preservation of records; and
  - ▶ (2) the improvement of record keeping systems and equipment; within the control of the county recorder.
  - ▶ Money in the fund may not be deposited or transferred into the county general fund and does not revert to the county general fund at the end of the fiscal year.

## Key Phrases

- ▶ The county recorder may use any money in this fund without appropriation for:
  - ▶ Preservation of records and
  - ▶ The improvement of record keeping systems and equipment
- ▶ Within the control of the county recorder.
- ▶ Money from this fund may not be transferred to general and does not revert to general fund.

## IC 36-2-7-10.2

- ▶ (b) A county recorder may pay all or a portion of the expenses of the county recorder's office for the following calendar year from the fund only if:
  - ▶ (1) the county recorder submits to the county fiscal body a sworn statement that:
    - ▶ (A) the current revenue to the fund is sufficient to fulfill the statutory purpose of the fund;
    - ▶ (B) the technology of the county recorder's office is presently updated and at a level to sufficiently meet the statutory purposes of the fund and the county recorder's office;
    - ▶ (C) the fund has a sufficient reserve, consistent with the recorder's plan, to capitalize the next technology or other records management upgrade necessary to fulfill the statutory purpose of the fund and the county recorder's office;

## IC 36-2-7-10.2 Continued

- (D) the county recorder specifically requests that all or a specific, identifiable portion of the fund be used to pay the expenses of the county recorder's office for the following calendar year; and
  - ▶ (2) the county fiscal body adopts an ordinance approving the recorder's request under subsection (c).

## IC 36-2-7-10.2 continued

- ▶ c) Upon receiving the county recorder's sworn statement, the county fiscal body may adopt an ordinance approving the county recorder's request. If the ordinance is adopted, the county fiscal body shall, if specifically requested by the recorder for the following calendar year, approve sufficient money from the fund. The county fiscal body may not approve any more money from the fund for any purpose in excess of that requested by the county recorder.
  
- ▶ (d) A county recorder's request and the county fiscal body's approval are valid for only the following calendar year. The requirements of this section must be met for each calendar year.

## IC 36-2-7-10.2 - Key Phrases

- ▶ Effective July 1, 2014
- ▶ Recorder's records perpetuation **may** be used for expenses of the county recorder's office if:
  - ▶ For the following calendar year
  - ▶ The county recorder submits to the fiscal body a sworn statement
  - ▶ The county fiscal body adopts an ordinance approving the recorder's request.

## IC 36-2-7-10.2 Key Phrases-Continued

### ▶ Sworn Statement

- ▶ The current revenue to the fund is sufficient to fulfill the **statutory purpose** of the fund
- ▶ The technology is presently updated and at a sufficient level to meet the **statutory purposes** of the fund and office
- ▶ The fund has sufficient reserve consistent with the **recorder's plan**.
- ▶ Specifically requests that **all or a specific identifiable portion** of the fund be used to pay the expenses of the office for the calendar year.

## IC 36-2-7-10.2 Continued

### ▶ THE PLAN

- ▶ What is the useful life of your current technology.
- ▶ What contingency plan is in place if your technology is no longer supported by the vendor.
- ▶ What is the cost of new technology or technology upgrades.
- ▶ How will you finance the next upgrade or the next purchase of new technology.
  - ▶ Do you have sufficient reserves in place
  - ▶ Will you be building up your reserves over time (define how much per year and number of years)
  - ▶ How much do you need in reserve for your contingency plan.
  - ▶ What is the history of revenues to this fund over the past few years.

## IC 36-2-7-10.2 Key Phrases - Continued

- ▶ Fiscal body may adopt an ordinance approving the county recorder's request
- ▶ If the ordinance is adopted the fiscal body shall approve sufficient money from the fund
- ▶ The fiscal body may not approve any more money from the fund for any purpose in excess of that requested.
- ▶ Valid for only the following calendar year and requirements must be met for each calendar year.

## Audit Expectations

- ▶ First expectation is that the record perpetuation fund has been used for expenditures related to preservation of records and improvement of record keeping system.
- ▶ If not, we will be looking for the sworn statement and ordinance approving the requested amount and audit for compliance with the statement and ordinance.
- ▶ If the county is not compliant with the statute, there could be a finding and there could be a request to restore funds to the record perpetuation fund.