

RESOLUTION NO. 03072016-3

**THE CITY OF NEW CASTLE, INDIANA
POLICY REGARDING ERRONEOUS OR IRREGULAR VARIANCES,
LOSSES, SHORTAGES AND THEFTS**

Comes now the Common Council of the City of New Castle, Indiana and adopts the following policy:

PURPOSE

This Policy is intended to comply with Indiana Code 5-11-1-27 and State Examiner Directive 2015-6.

MATERIALITY THRESHOLD

The materiality threshold for the City shall be One Hundred Dollars (\$100.00). If the erroneous or irregular variance, loss, shortage or theft is not cash or a cash-equivalent, the value of the item at the time of the variance, loss, shortage or theft shall be used to determine whether the materiality threshold has been met.

All erroneous or irregular variances, losses, shortages, or thefts of One Hundred Dollars (\$100.00) or more shall be reported immediately to the State Board of Accounts. In addition, all erroneous or irregular variances, losses, shortages, or thefts which occur more than four (4) times in a month and which in the aggregate total Three Hundred Dollars (\$300.00) or more shall be reported immediately to the State Board of Accounts.

KNOWLEDGE OF MISAPPROPRIATION

A public officer who has knowledge of or reasonable cause to believe that there has been a misappropriation of public funds or assets of the public office shall immediately send written notice of the misappropriation to the Indiana State Board of Accounts and the Henry County Prosecuting Attorney.

MAINTENANCE OF DOCUMENTATION

The City 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.

RESOLUTION OF INCIDENTS NOT MEETING THE MATERIALITY THRESHOLD

The City shall investigate all erroneous or irregular variances, losses, shortages or thefts, regardless of whether they meet the materiality threshold established by this policy. Upon conclusion of each such investigation, the City 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.

ADOPTED BY THE COMMON COUNCIL OF THE CITY OF NEW CASTLE THIS ____ DAY OF _____, 2016.

Greg York, PRESIDING OFFICER
COMMON COUNCIL, NEW CASTLE, IN

ATTEST:

CHRISTY YORK, CLERK-TREASURER

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APPROVED BY ME THIS ____ DAY OF _____, 2016.

Greg York, Mayor
City of New Castle, Indiana