

RESOLUTION NO. 2026- 6

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE JENNINGS NORTHWEST REGIONAL UTILITIES (JNRU) FORMALIZING INTERNAL CONTROL PROCEDURES FOR DAILY DEPOSITS AND MONTHLY FINANCIAL RECONCILIATIONS

WHEREAS, Indiana Code § 5-11-1-27 requires each political subdivision to maintain a system of internal controls to promote government accountability, transparency, and the proper segregation of duties; and

WHEREAS, Jennings Northwest Regional Utilities (JNRU) has established a Corrective Action Plan (CAP ID: 13432) in response to the Indiana State Board of Accounts (SBOA) compliance review concerning Internal Controls over Financial Transactions and Reporting; and

WHEREAS, the SBOA requires verification of active operational controls to ensure that incompatible activities related to cash, investments, and receipts are properly separated; and

WHEREAS, the Utilities Manager has enforced immediate segregation of duties through daily verification protocols and independent monthly depository reviews; and

WHEREAS, the Board of Trustees of JNRU desires to formalize these active operational controls into permanent municipal policy to satisfy state audit requirements and safeguard district assets.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Jennings Northwest Regional Utilities, Jennings County, Indiana, as follows:

Section 1. Daily Receipt & Deposit Verification. To ensure immediate segregation of duties, while front office staff shall continue to process utility payments, all daily bank deposits must be physically verified by two separate individuals before leaving the building. Both verifying individuals are required to print their initials and date the deposit slips and batch reports to formally certify that the physical cash and checks perfectly match the system logs.

Section 2. Monthly Depository Reconciliations. Monthly bank reconciliations shall continue to be prepared after-the-fact by the district's designated third-party financial consultant. Upon completion, these reconciliations shall be presented directly to the JNRU Board of Trustees at regular public meetings for review, a formal vote, and official approval. Board members shall sign the approved reconciliations to confirm oversight.

Section 3. Effective Date. This Resolution shall be in full force and effect immediately upon its passage and adoption by the Board of Trustees.

PASSED AND ADOPTED by the Board of Trustees of Jennings Northwest Regional Utilities on this 8 day of July, 2026.

JENNINGS NORTHWEST REGIONAL UTILITIES

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Brian Hatfield

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Marshall Jenkins

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Judi Johnson

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Dale Boyd

ATTEST:

Michael Gerth, Secretary

Michael Gerth