



Indiana Association of
Cities and Towns

Complying with Indiana's Anti-Nepotism Law

Revised March 2016

The Indiana General Assembly enacted Public Law 135-2012 (HEA 1005) which mandates local government, including cities and towns, to adopt and implement anti-nepotism policies as of July 1, 2012. There are two sets of requirements involving nepotism. The first set of requirements relate to employment (IC 36-1-20.2 Nepotism) by restricting the hiring or promotion of relatives in the direct line of supervision. The second set relate to contracts (IC 36-1-21 Contracting with a Unit) that bar local government entities from entering into or renewing contracts in which the contractor is a relative of a Council Member or Mayor (legislative or executive elected official) of the entity unless certain disclosures are made. While the two sets of requirements are parallel in some respects, there are several differences in definition and application between the two. The effective date of both sets of requirements though was July 1, 2012 and both apply thereafter.

While there are ambiguities in the statutes which will likely only be resolved over time, cities and towns had to act quickly to make a reasonable, good faith effort to comply with the mandates in a timely fashion. The following represents the recommendations of IACT to comply with the minimum requirements of the statute. The municipal attorney may advise the city or town to adopt more detailed policies and implementation plans and should be consulted with any questions. Action to continually comply is required, and the penalty for non-compliance is severe. If the State Board of Accounts finds that a city or town has not implemented appropriate policies consistent with these two statutes, the non-compliance must be certified to the Department of Local Government Finance, which in turn cannot approve the entity's budget or any additional appropriations. Remember that if your budget is not approved your budget and levy remain at the prior year's level (e.g. there is no levy growth) plus you have to appropriate your anticipated expenditures in the budget year through an additional appropriation (which will not be approved until there is a policy). For purposes of adoption and implementation, IACT categorized the statutory requirements into three steps:

| Step | Action | Deadline |
|-------------|--|--------------------------------|
| One | Adopt an anti-nepotism policy consistent with IC 36-1-20.2 Nepotism (addressing supervision of relatives) and IC 36-1-21 Contracting with a Unit (addressing contracting with relatives) | No later than July 1, 2012 |
| Two | Prepare and begin to execute an implementation plan | On July 1, 2012 and thereafter |

| | | |
|-------|--|--|
| Three | Begin Compliance with statutory reporting requirements | No later than December 31, 2012 and thereafter |
|-------|--|--|

Step One – Adoption of Policies

Both statutes require the city or town council to adopt a policy that meets the minimum requirements set out in the respective laws. The law does not specifically require this be in ordinance form, but it must be an act of the council. Appendix A is a sample resolution/ordinance that adopts the statutory requirements by reference. There may be benefit for cities and towns to adopt or restate the statutory requirements in a local ordinance, but that may not have been practical to accomplish by the July 1, 2012 deadline, given the time needed to prepare, consider, and adopt the ordinance. Some local attorneys thought a resolution was a preferred method to adopt the policies. If a resolution was adopted, the city or towns may always elect to adopt an ordinance at a later time. Municipalities with formal personnel policies will likely want to reflect the required policies in that document, but it will likely be necessary for the council to at least ratify such changes. If a resolution is used, it and any amendments are records that should be preserved.

Summary of Requirements **AFTER JULY 1, 2012:**

- A. *All new hires and promotions must be made in compliance with the nepotism employment policy.* Under IC 36-1-20.2, individuals who are relatives may not be employed by a unit in a position that results in one relative being in direct line supervision of the other relative. Under IC 36-1-20.2-11(c) certain employees may not be promoted to a position that results in one relative being in direct line supervision of the other relative who is a newly elected official of the unit.
- B. *All new or renewed contracts for goods, services or public works with the unit must be made in compliance with the nepotism contracting policy.* Under IC 36-1-21, the unit, through any of its boards, commissions, purchasing agencies or purchasing agents, may not enter into a contract or renew a contract for public works or procurement of goods and services with a relative or a business entity that is wholly or partially owned by a relative of the executive of the unit or member of the legislative (or fiscal) body of the unit unless the requirements of the statute are met. These requirements include full written disclosure and filing with the State Board of Accounts within 15 days after final action on the contract or purchase, see Appendix C form.
- C. Relative is defined as spouse, parent or stepparent, child or stepchild, brother, sister, stepbrother, stepsister, niece, nephew, aunt, uncle, daughter-in-law or son-in-law (including half-brothers and sisters and adopted children) for both of the nepotism statutes.
- D. There is a “Grandfathering clause” in the hiring nepotism law for current elected officials or employees with family relationships that would otherwise be in violation of the nepotism policy unless there is a break in the office holding or in employment. Grandfathered individuals may be promoted as they are not subject to the IC 36-1-20.2 chapter and its provisions. Employees hired after July 1, 2012 who in later years have relatives elected that are in the direct line of supervision will have no promotion possibilities unless the promotion is within the merit ranks for police and fire departments. They do not have to be fired unless the local policy is more strict. See, IC 36-1-20.2-11.

- E. Each elected officer of the unit must annually certify in writing, subject to the penalties for perjury, that the officer has not violated the nepotism law and submit the certification to the executive, Mayor or Town Council President, of the unit no later than December 31 of each year. City and town council members and mayors must also certify that they have not violated the contracting law. See Appendix D and E.

Step Two – Implementation Plan

It was recommended that cities and towns compile a written implementation plan to document steps that are to be taken to implement the required policies. It is recommended that the implementation plan be used for future compliance and reviewed regularly. There are different approaches to compliance that can be considered. Strategies likely will differ between larger municipalities and smaller ones. Strategies could differ by placing emphasis on different elements of the process. For example, a municipality might adopt a strategy in which job applicants or candidates for promotion are required to disclose relatives employed by the municipality. See, Verification form in Appendix B. Another municipality might instead rely on a strategy in which those in the direct line of supervision review applications or candidates for promotion to identify relatives that might violate policy. Similarly, differing strategy with respect to the required policies on contract could be chosen, either focusing on the potential contractor identifying relatives, or focusing on the elected officials reviewing potential contractors prior to the contract being awarded.

In compiling an implementation plan, cities and towns may want to include the following steps:

- A. Locate, revise, or establish and maintain an organizational chart for periods after July 1, 2012 through the current organizational chart. The anti-nepotism policy centers on the direct line of supervision so it will be important to establish precisely which employees are supervised by whom. Over time, lines of supervision become blurred, but having it clearly delineated prior to the policies taking effect is important. For small municipalities with few employees, it may not be necessary to have a formal organizational chart as long as there is clear documentation of the line of supervision. Consider drafting next years' salary ordinance to delineate/confirm lines of supervision by placing positions in departments or divisions and reflecting if a job is shared by two departments or people. Direct line supervision means an elected officer or employee who is in a position to affect the terms and conditions of another individual's employment, including making decision about work assignment, compensation, grievances, advancement, or performance evaluation. The term does not include the responsibilities of the executive, legislative body, or fiscal body of a unit, as provided by law, to make decisions regarding salary ordinances, budgets, or personnel policies of the unit. Presumably a supervisor in the same department that is listed in the salary ordinance will support that there is a supervisory role. It would also support then who is not in a supervisory role. Any reorganization will necessitate an organizational chart modification.
- B. Develop a complete list of all individuals in employment status as of July 1, 2012 and ensure it is preserved as a permanent local record. Unless the municipality chooses to adopt a stricter policy, the anti-nepotism provisions in the employment statute do not apply to anyone in employment status as of July 1, 2012 unless there is a break in status. It could be important in the future to know precisely who was in employment status on this date, especially current part-

time, temporary, or intermittent employees. It will be important after July 1 that a distinction be made between removing an employee from employment (break in service) and removing a part-time employee from payroll because there will not be any work for say a month or so. One practice tip might be to have “termination of employment forms” completed when the employment relationship has been broken rather than temporarily suspended. Another might be to define “what is not a break in service” under IC 36-1-20.2-2. Hopefully the unit has a Resolution or other documentation stating all of the individuals who were considered by the city or town as employees on July 1, 2012. This could go into the municipality’s Nepotism and Contracting with a Unit file showing implementation activities related to these two new policies. The State Board of Accounts Auditors may be asking for such documentation and a file could prove helpful.

- C. Communicate the policies adopted by the city or town council to employees and elected and appointed officials. Taking steps to communicate the policy and documenting those steps will help demonstrate that the municipality is implementing the required policies. There are several alternative provisions listed in the draft resolution/ordinance found in Appendix A to communicate these policies. It will be especially important to relay the provisions on contracts with the unit to members of boards and commissions, and especially those with contracting authority, since this will be a new consideration for such bodies in the contracting process.
- D. Devise a strategy to brief supervisors, members of board and commissions that have authority to contract, and elected officials on roles and responsibilities on complying with adopted policies. Although not required by the statute, it might be useful to take additional steps to make sure those in supervisory positions fully understand the provisions of the required policy such as a training session or a written directive. Some similar action might also be desirable for members of boards and commissions.
- E. Adopt and practice a strategy to review applicants and candidates for hiring and promotion for compliance with policy. A strategy for new hires might be to show the individual being hired the organizational chart and who will be in his or her chain of command. Perhaps a new hire or a promotion candidate should sign a verification saying that he or she is not related to anyone who will be in his or her direct line supervision (See, Appendix B) or adopting a form or modifying an employee application form asking job applicants or candidates for promotion to disclose relatives that might bar hiring or promotion. Any potential conflict with the policy could be investigated and resolved before a job offer or promotion is offered. Another method that might be taken instead of, or in addition to the applicant approach, is having those in the direct line of supervision review such personnel actions and sign off that the applicant or candidate for promotion does not violate policy.
- F. Adopt a practice to track who is related to whom for this purpose as well as having the individuals verify that there has not been any marriages, divorces, adoptions, etc. that may change the status of their employment or office in regard to the nepotism policy. Marriages and divorces may increase or decrease the employee’s relatives since the term “relative” is so broadly defined.

- G. Adopt a strategy to review all potential contractors for compliance with policy. There will need to be a process to review potential contractors to identify relationships with the executive and council members that trigger the disclosure process. One of the difficulties in the Contracting with a Unit law is that any individual who is an owner, whether fully or in part, of a contracting entity and who meets the definition of relative of the mayor or a city council member in the case of a city, or of a member of the town council in the case of a town, triggers the requirement for the mayor and council members to disclose (i.e. file a new specific disclosure form, see Appendix C). This special disclosure requirement does not apply to a city/town court judge or a city clerk or a city or town clerk-treasurer when the city or town contracts with their relatives. Since it may not always be clear to either the contractor or elected official that a relative of the elected official owns a part of a business, it may require some procedure to make a good faith effort to determine if any conflict exists, and to resolve it through proper disclosures. For contracting, IACT recommends that the bid/quote specs be modified to ask bidders/quoters to disclose whether they are relatives (as defined in the nepotism law) of the elected officials of the unit (either executive or legislative branch). This would apply to any bidder for public works or procurement of goods and services who hopes to contract with the unit or to any business entity hoping to contract with the unit that is wholly or partially owned by a relative of an elected official. Or it may also be included in the contract. If a selected bidder/quoter or contractor with the city or town does have a relative who is one of the elected officials of the unit triggering the law, the unit's official must submit full written disclosure to the State Board of Accounts and the Circuit Court Clerk within 15 days after final action on contract or purchase. See Appendix C. There is a possibility that a separate additional requirement to disclose might exist under the criminal conflict of interest statute (IC 35-44.1-1-4). The contracting nepotism law does require, where appropriate under the facts, the filing of a Uniform Conflict of Interest Disclosure Statement. This second disclosure form (available from the State Board of Accounts website) must be completed, acted upon at a public meeting and filed with the Clerk of the Circuit Court and the State Board of Accounts for contracts with, or purchases by, the unit where the public servant or dependent has a pecuniary interest in or derives a profit from a contract with the unit served. In other words if the criminal conflict of interest statute is applicable then there must be compliance with both laws requiring the 2 different disclosures and both forms being filed. The public purchasing and public works laws must also be followed for a successful nepotism disclosure by the executive and councilmember.
- H. There is also a requirement for the contracting body to certify the justification for entering into the contract despite the disclosure. The required procedures will likely cause delays in the contracting process. The form in Appendix C anticipates that the board or agent of the city or town selecting the "related" businessperson or entity will be allowed to take action to make the requisite findings and authorize the contract execution subject to the acceptance of the legislative body. IACT suggests that units should follow the advice of its attorney to determine what constitutes "final action" in IC 36-1-21.
- I. Consider designating a compliance coordinator. Some cities or towns, particularly larger ones, may want to assign an official or employee the duty to coordinate compliance.

Step Three – Annual Reporting Requirements

There are four annual reporting requirements, two related to employment-related requirements, and two related to contract-related requirements.

- A. *Every elected official of the entity must certify in writing that he or she has not violated the provisions of IC 36-1-20.2 Nepotism relating to hiring and promotion under penalties of perjury, and submit the certification to the executive (Mayor or Town Council President) of the entity. This certification must be submitted no later than December 31, 2012 and each year thereafter. A sample certification is included in Appendix E.*
- B. The executive must in turn provide a statement to the State Board of Accounts on the Form 100R that a policy consistent with IC 36-1-20.2 Nepotism has been implemented.
- C. *“Each elected officer” (or at a minimum the elected officials who are the executive or a member of the legislative body) must certify in writing that he or she has not violated the provisions of IC 36-1-21 Contracting with a Unit under penalties of perjury, and submit the certification to the executive of the entity. This certification must be submitted no later than December 31, 2012 and each year thereafter. A sample certification is included in Appendix D.*
- D. The executive, Mayor or Town Council President, must in turn provide a statement to the State Board of Accounts on the Form 100R that a policy consistent with IC 36-1-21 has been implemented.

Form 100R is a proscribed form submitted to the State Board of Accounts electronically through the State’s Gateway portal each year by January 31st pursuant to IC 5-11-13. The Attestation Statement, which is part of the Gateway filing, must be signed by the executive or fiscal officer and mailed within five days of the Gateway submission. See the State Board of Accounts’ Cities and Towns Bulletin – December 2015, page 4. Mayors, Town Council Presidents and Fiscal Officers will have to arrange their schedules to accomplish these tasks during the very busy time in January of each year before January 31st.

State Board of Accounts Audit Positions and Answers

The State Board of Accounts (SBOA) takes positions on the meaning of certain laws that are necessarily involved in the examinations of the fiscal records of cities and towns. These positions are disclosed in the cities and towns accounting manuals, quarterly bulletins, memoranda and state examiner directives. If municipal records do not meet the standards and are thus contrary to the positions taken, then the State Board of Accounts may issue an Audit Result and Comment (ARC). The ARC is noted in the report of the audit that is publicly filed online and in appropriate cases with the Attorney General’s office or other enforcement officers. The accounting manuals, quarterly bulletins and directives are all located on www.in.gov/sboa. The audit positions of the SBOA are not legal advice. A court is not required to follow the SBOA’s interpretation of a state law although it might agree with it. This is why any decision involving either one of the nepotism laws should be done after advice and counsel of the town attorney. With that disclaimer, the State Board of Accounts has issued guidance on the meaning of certain provisions of the two nepotism laws in the June 2013 Quarterly Bulletin for Cities and Towns

beginning on page 23. Here are a few questions and the audit positions taken as of March 2016 either in Quarterly Bulletins or through written questions. Audit positions are noted. For future positions or changes visit the SBOA website. www.in.gov/sboa

Q. How do you determine what employee is in the “direct line of supervision”?

SBOA Audit Position: The nepotism policy is designed to help prevent occurrences whereby relatives who are employees of the "unit" are in direct supervisory line with respect to each other. In order to guard against these practices the policy should prohibit "unit" full-time, part-time, or temporary employees who are relatives from being placed within the same direct line of supervision where one relative is responsible for directly supervising the job performance or work activity of another relative. In discussions with the author of the bill, it was determined that it was not the authors intent, to the extent possible, to prohibit two or more such relatives from working for the same "unit" or within the same department or office of a "unit." More specifically, "direct line of supervision" for the purpose of this section means the direct next person directly above the employee.

Q. What is a break in service?

SBOA Audit Position: Any individual that is employed by a "unit" on July 1, 2012, is not subject to this chapter and any individual hired on or after July 2, 2012, is subject to this chapter.

At a minimum, "units" must define that an individual absent from the workplace while on paid or unpaid leave, including vacation, sick, or family medical leave, or worker's compensation is not considered a "break in service." If an individual's employment with the unit is terminated, followed by immediate reemployment by the "unit," without loss of payroll time, this is not considered a "break in service." "Units" may adopt within their specific nepotism policy additional specific situations that could qualify as not being a "break in service."

Q. Is an appointed official (board and commission member) considered an “employee” under the law and would that person be in the “direct line of supervision”?

SBOA Response: Our audit position is an individual Council/Board member would not have a “direct line of supervision” over another employee. The Council/Board as a whole could have direct supervision, but not one individual member. For example, a Council member and Town Marshal are married. The Council member would not have a “direct line of supervision” over the Marshal/spouse, but the Council as a whole would. We would not take exception in this example.

There are also questions that are frequently asked of the SBOA and to which answers are given that do not rise to the level of audit positions. Those are many times listed at the end of the SBOA Quarterly Bulletins. Here are a few of those questions and answers that are believed to be consistent with current SBOA guidance involving nepotism.

Q. Does the SBOA believe the word “employed” in IC 36-1-20.2-10 includes ‘promotion’ as well as hiring?

Response: Yes.

Q. Is the police reserve officer an “employee” for purposes of the employment nepotism provisions?

Response: There is no current SBOA audit position so with regard to hiring or promoting a reserve police officer under IC 36-8-3-20 and the employment nepotism law, it is unclear. This question should be resolved with the advice of the municipality’s attorney. The SBOA may address that question during an audit. If the local anti-nepotism policy is stricter than state law then it will be followed by the SBOA.

Can a sister-in-law be hired to work as a deputy clerk-treasurer?

Response: In the nepotism employment law “relative” is defined as a daughter-in-law and son-in-law so a sister-in-law is not covered. If the local anti-nepotism policy is stricter than state law then it will be followed by the SBOA.

Appendix

(Click on Hyperlink – or press Control + Click - to go directly to the Appendix you need):

[**Appendix A: Sample Resolution or Ordinance example to consider for compliance with HEA 1005 entitled Conflict of Interest and Nepotism Effective July 1, 2012**](#)

[**Appendix B: Sample VERIFICATION OF APPLICANT FOR EMPLOYMENT FOR COMPLIANCE WITH MUNICIPAL NEPOTISM POLICY**](#)

[**Appendix C: Sample MAYOR/COUNCIL MEMBER DISCLOSURE OF RELATIVE’S CONTRACT WITH MUNICIPALITY**](#)

[**Appendix D: Sample CERTIFICATION OF ELECTED OFFICIAL TO THE EXECUTIVE OF THE “BLANK CITY OR TOWN” ON COMPLIANCE WITH MUNICIPAL CONTRACTING WITH A UNIT NEPOTISM POLICY**](#)

[**Appendix E: Sample ANNUAL CERTIFICATION OF ELECTED OFFICIAL TO THE EXECUTIVE OF THE “BLANK CITY OR TOWN” ON COMPLIANCE WITH MUNICIPAL NEPOTISM POLICY INVOLVING DIRECT LINE SUPERVISION**](#)

DISCLAIMER

This document and those that follow in the Appendix require the consultation with and advice from the city or town attorney. They are intended for general information purposes only and do not constitute legal advice. They should not be used or relied upon as a substitute for a review of applicable statutes, regulations, rulings and court decisions by the city or town attorney. These materials were prepared or reviewed in March 2016, and, consequently, will not reflect changes in law subsequent to that date.

Appendix A

Resolution or Ordinance example to consider for compliance with HEA 1005 entitled Conflict of Interest and Nepotism Effective July 1, 2012

Whereas, in 2012 the Indiana Legislature passed, and the Governor signed, HEA 1005 entitled Nepotism; Conflict of Interest;

WHEREAS, IC 36-1-20.2, as added by P.L. 135-2012, SECTION 7, requires the [city] [town] to establish a policy concerning nepotism;

WHEREAS, IC 36-1-21, as added by P.L. 135-2012, SECTION 8, requires the [city] [town] to establish a policy concerning contracting with relatives of elected officials;

Whereas, these two new chapters, IC 36-1-20.2 Nepotism and IC 36-1-21 Contracting with a Unit, respectively, are effective July 1, 2012;

Whereas, in both of the new Indiana Code chapters, the municipal legislative bodies are mandated to adopt a policy that includes, as a minimum, the requirements set forth in those new chapters;

Whereas, in both of the new Indiana Code chapters “relative” is defined as a spouse, parent, stepparent, child (natural or adopted), stepchild, brother, half- brother, sister, half-sister, stepbrother, stepsister, niece, nephew, aunt, uncle, daughter-in-law or son-in-law;

Whereas, after thoughtful consideration and in order to comply with the two new chapters of the Indiana Code mentioned above, the [city] [town] believes it is in the best interests of its citizens to adopt as its policies the minimum requirements of IC 36- 1-20.2 Nepotism and IC 36-1-21 Contracting with a Unit as stated in the said new chapters of the Indiana Code; and

Now, therefore, the Common Council of [city] or Town Council of [town] states as follows:

1. The [city] [town] finds that it is necessary and desirous to adopt a policy of conduct with regard to nepotism in the employment with the [city] [town] and in contracting with the [city] [town] in order to continue to be able to provide local government services to its residents and to comply with the new laws effective July 1, 2012 known as IC 36-1-20.2 and IC 36-1-21, respectively.
2. On July 1, 2012 the [city] [town] shall have a Nepotism and a Contracting with a Unit Policy that complies with the minimum requirements of IC 36-1-20.2 (hereinafter “Nepotism Policy”) and IC 36-1-21 (hereinafter “Contracting with a Unit by a Relative Policy”) respectively and implementation will begin.
3. The [city] [town] Nepotism Policy is hereby established effective July 1, 2012 by adopting the minimum requirements provisions of IC 36-1-20.2, and including all future supplements and amendments thereto which become law from time to time, and making them a part hereof as if fully set out herein. In addition a copy of IC 36-1-20.2 Nepotism in effect on July 1 is attached hereto. [needs to be supplied]
4. The [city] [town] Contracting with a Unit by a Relative Policy is hereby established effective July 1, 2012 by adopting the minimum requirements provisions of IC 36-1-21, and including all future supplements and amendments thereto which become law from time to time, and making them a part hereof as if fully set out herein. In addition a copy of the IC 36-1-21 Nepotism in effect on July 1 is attached hereto. [needs to be supplied]
5. The [city] [town] finds that both IC 36-1-20.2 and IC 36-1-21 specifically allow a unit to adopt requirements that are “more stringent or detailed” and that more detailed are necessary.
6. The [city] [town] further finds that a single member of the legislative body cannot act for the body to make work assignments, compensation, grievances, advancement or a performance evaluation without prior authority of a majority of the body and therefore without such authority by the majority he/she will not be in the direct line of supervision. See, [IC 36-4-6-11] [IC 36-5 -2-9.4].
7. The [city] [town] finds that a single member of governing bodies with authority over employees in the [city] [town] cannot act for the governing body to make work assignments, compensation, grievances, advancement or a performance evaluation without prior authority of a majority of the body, when a statute provides that a majority is needed to act, and therefore, without such authority by the majority the single member will not be in the direct line of supervision. See, (insert statute cite e.g. park board, plan commission etc.).
8. All elected and appointed officials and employees of the [city] [town] are hereby directed to cooperate fully in the implementation of the policies created by this Resolution/Ordinance and demonstrating compliance with these same policies.
9. Failure to abide by or cooperate with the implementation, compliance and certifications connected with the Nepotism Policy is a violation and may result in the discipline,

including termination, of an employee or a transfer from the direct line of supervision or other curative action. An elected or appointed official of the [city] [town] who fails to abide by or cooperate with the implementation, with the compliance and with mandated certifications of the Nepotism Policy may be subject to action allowed by law.

10. Failure to abide by or cooperate with the implementation, compliance and certifications connected with the Contracting with Unit by a Relative Policy is a violation and may result in the discipline, including termination, of an employee or a curative action. An elected or appointed official of the [city] [town] who fails to abide by or cooperate with the implementation, with the compliance and with mandated certifications of the Contracting with Unit by a Relative Policy may be subject to action allowed by law.
11. The policies created by this Resolution/Ordinance are hereby directed to be implemented by any of the following actions: a) posting a copy of this Resolution/Ordinance in its entirety in at least one of the locations in the [city] [town] where it posts employer posters or other notices to its employees; b) providing a copy of this Resolution/Ordinance to its employees and elected and appointed officials; c) providing or posting a notice of the adoption of this Resolution/Ordinance; or d) any such other action or actions that would communicate the policies established by this Resolution to its employees and elected and appointed officials. Upon the taking of any of these actions the policies are deemed implemented by the [city] [town].
12. A copy of the provisions of IC 36-1-20.2 and IC 36-1-21 effective July 1, 2012 are annexed hereto.
13. Two (2) copies of IC 36-1-20.2 and IC 36-1-21, and as supplemented or amended, are on file in the office of the Clerk or Clerk-Treasurer for the [city] [town] for public inspection as maybe required by IC 36-1-5-4. [needs to be supplied]

Appropriate signature blocks to be inserted.

Copies and Attachments need to be supplied by attorney.

Appendix B

Sample

VERIFICATION OF APPLICANT FOR EMPLOYMENT
FOR COMPLIANCE WITH MUNICIPAL NEPOTISM POLICY

I, _____ (printed name), have reviewed the direct line of supervision for the position I am seeking with the “Blank City or Town” and I am not a relative of any employee who will be in my direct line of supervision in the position of _____. I understand that Relative means my spouse, parent or stepparent, child or stepchild, brother, sister, stepbrother, stepsister, niece, nephew, aunt, uncle, daughter-in-law or son-in-law (including half-bloods and adopted children).

I hereby verify under the penalty of perjury that the foregoing statements are true.

Dated this _____ day of _____, 20__.

(signature)

(printed name)

Appendix C

Sample

MAYOR/COUNCIL MEMBER DISCLOSURE OF RELATIVE'S CONTRACT WITH MUNICIPALITY

Indiana Code 36-1-21-5

A governing body of a municipality may enter into a contract or renew a contract for goods, services or public works with an individual who is or a business entity that has an ownership interest by an individual who is a relative of the Mayor or a council member of the municipality if a Disclosure of Relative's Contract is made by the above noted elected official and the elected official does not violate IC 35-44.1-1-3.1, the criminal Conflict of Interest law. In addition the appropriate municipal governing body makes certain certified statements regarding price or selection of the contractor.

The foregoing consists only of excerpts and clarifying language from I.C. 36-1-21-5. Care should be taken to review I.C. 36-1-21-5 and 35-44.1-1-4 in their entirety.

1. Name of Elected Official (Mayor/Councilmember) Submitting Disclosure:

2. Name of Office:

3. Name of Municipality:_____
4. Description of Contract for purchase or public works (Describe the kind of contract, the project name, the governing body or person(s) proposing to execute the contract for the municipality, the length of the contract term and the contractor):

5. Describe all of the ownership interests of the Contractor:

6. Describe the relationship of the Contractor from which the municipality is contracting for the purchase of goods, services or public works to the Elected Official

submitting this Disclosure (Elected Official is Mayor or Councilmember)(the relationship is the disclosure of which one of the following relatives ---spouse, parent, stepparent, child, stepchild, adopted child, brother, half-brother, stepbrother, sister, half-sister, stepsister niece or nephew aunt of uncle, daughter-in-law or son-in-law is the Contractor or has an ownership interest in the Contractor):

(Attach extra pages as needed)

7. The appropriate agency of the municipality contracting for the goods, services or public works made its certified statements as required by law on the _____ day of _____, 20__ and believes that it has complied with state law.
8. Effective Dates: (Disclosure of a Relative's contract must be submitted to the Legislative Body of the municipality prior to final action on the contract for goods, services or public works.):

| | |
|---------------------------|--|
| Date Submitted to Council | Anticipated Date of Action on Contract or Purchase |
|---------------------------|--|

9. Affirmation of Elected Official: This disclosure was submitted to the municipality of _____ for acceptance by its Legislative Body in a public meeting prior to final action on the contract or purchase. I affirm, under penalty of perjury, the truth and completeness of the statements made above, and that I am the above named public servant.

Signed: _____
Date: _____
(Signature of Elected Official)

10. Acceptance of Disclosure: The Council of the _____ municipality this _____ day of _____, 20__ took action at its public meeting to accept the above Disclosure prior to the final action on the contract.

Signed: _____
(Signature of Presiding Officer of the Council)

Within 15 days after final action on the contract which is the subject of this Disclosure, copies of this statement must be filed with the State Board of Accounts, Indiana Government Center South, 302 West Washington Street, Room E418, Indianapolis, Indiana, 46204-2738 and the Clerk of the Circuit Court of the county in which the municipality executed the contract.

Appendix D

Sample

CERTIFICATION OF ELECTED OFFICIAL TO THE EXECUTIVE OF THE “BLANK CITY OR TOWN” ON COMPLIANCE WITH MUNICIPAL CONTRACTING WITH A UNIT NEPOTISM POLICY

I, _____ (printed name), the elected _____ insert office of “Blank City or Town” certify that I have not violated the “Blank City or Town” Contracting with a Unit Policy of IC 36-1-21, as amended or supplemented, relating to contracts of my relatives’ business interests with the “Blank City or Town” as further described in _____ (document adopting the policy). I understand that Relative means my spouse, parent or stepparent, child or stepchild, brother, sister, stepbrother, stepsister, niece, nephew, aunt, uncle, daughter-in-law or son-in-law (including half-bloods and adopted children). I intend for this to be submitted to the Mayor or Town Council President prior to the end of this calendar year.

I hereby verify under the penalty of perjury that the foregoing statements are true.

Dated this _____ day of _____, 20____.

(signature)

(printed name)

Appendix E

Sample

**ANNUAL CERTIFICATION OF ELECTED OFFICIAL TO THE EXECUTIVE OF THE
“BLANK CITY OR TOWN” ON COMPLIANCE WITH MUNICIPAL NEPOTISM POLICY
INVOLVING DIRECT LINE SUPERVISION**

I, _____ (printed name), the elected
_____ insert office _____ of “Blank City or Town” certify that I have not
violated the “Blank City or Town” Nepotism Policy in hiring and supervision of IC 36-1-20.2, as
amended or supplemented, relating to my relatives’ employment with the “Blank City or Town”
as further described in _____ (document adopting the policy) _____. I understand that
Relative means my spouse, parent or stepparent, child or stepchild, brother, sister, stepbrother,
stepsister, niece, nephew, aunt, uncle, daughter-in-law or son-in-law (including half-bloods and
adopted children). I intend for this to be submitted to the Mayor or Town Council President
prior to the end of this calendar year.

I hereby verify under the penalty of perjury that the foregoing statements are true.

Dated this _____ day of _____, 20____.

(signature)

(printed name)