
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: School Corporations
FROM: Courtney Schaafsma, Budget Division Director *CS*
RE: Capital Projects Fund Notices for Budget Year 2014
DATE: July 9, 2013

Pursuant to IC 20-46-6-11 and 50 IAC 9, a school corporation desiring to have a Capital Projects Fund ("CPF") budget or tax levy must adopt a CPF Plan ("Plan") for the upcoming budget year. The school corporation must provide its taxpayers with proper notice of both the proposed Plan and the adopted Plan. The Department of Local Government Finance ("Department") is providing the attached notice templates to assist school corporations in meeting these notice requirements. This memorandum addresses the Notice to Taxpayers and the Notice of Adoption. The Plan template to be used for 2014 also accompanies this memorandum.

Notice to Taxpayers

The Notice to Taxpayers notifies taxpayers of the date, time, and location at which a public hearing will be held on the proposed Plan. In addition to this information, the Notice to Taxpayers provides a summary of the proposed Plan, which includes proposed expenditures from the CPF for the ensuing budget year. For each category of expenditures, certain CPF-specific departments correspond to the information that should be provided on the Notice to Taxpayers. These departments are identified below. Please note that only departments associated with the CPF should be included in these categories.

EXPENDITURES

- Land Acquisition and Development – 4100
- Professional Services – 4300
- Education Specifications Development – 4400
- Building Acquisition, Construction, and Improvement – Total of 4510, 4520 and 4530
- Rental of Buildings, Facilities, and Equipment – 4550
- Purchase of Mobile or Fixed Equipment – 4700
- Emergency Allocation – 4900
- Utilities – 2620
- Maintenance of Equipment – 2640
- Sports Facility – 4540
- Property or Casualty Insurance – 2670
- Other Operation and Maintenance of Plant – 2680

- Other Proposed Expenditures– Total of 1700, 2200, 2500, 5100, 5200, 5300, and 5400
- Allocation for Future Projects – Allocation for Future Projects does not tie to any particular department as it is money being accumulated to be expended in a future year. Additional details below.
- Transfer from One Fund to Another – 6000

In addition to the proposed expenditures, the Notice to Taxpayers must identify the sources of revenue that will be available to fund the Plan. The detailed items to be included in the Notice to Taxpayers are as follows:

REVENUES

- Projected January 1 Cash Balance for the year identified.
- Encumbrances Carried Forward from Previous Year.
- Estimated Cash Balance Available for the Plan – Calculated by subtracting the encumbrances identified above from the projected January 1 cash balance.
- Property Tax Revenue – Proposed property tax levy for the year identified.
- Auto Excise, CVET, and FIT Receipts – Estimated revenues for the year identified.
- Other Revenue – Includes interest income and any other available or anticipated revenues not identified above.

PLEASE NOTE: The property tax revenue value identified on the Notice to Taxpayers for the ensuing budget year will be used as a determining factor by the Department in approving the corresponding levy. An erroneous entry for Property Tax Revenue for the ensuing budget year can result in a reduced or denied levy for the CPF. Please ensure that this value is correct prior to submitting the Notice to Taxpayers to the newspaper(s) for publication. On the attached template, you will notice that this cell is highlighted in yellow. This highlight will go away once a value is entered in this cell. In addition, you will see two warning messages to the right of the cell. Before a value is entered into the cell, the warning will read, “Please enter the proposed tax levy for the budget year.” After a value is entered, the warning will read, “Please ensure correct proposed tax levy prior to publication of this notice.” These warnings are for information purposes only and are not to be published.

Lastly, the Notice to Taxpayers provides details on the Allocation for Future Projects. For school corporations that have an Allocation for Future Projects amount identified, each project included in this amount must be identified. The projects will be broken out into two categories: new projects that have not previously been advertised and allocations that have been previously advertised. New projects identified on the Notice to Taxpayers will be subject to objections during the objection period after the publication of the Notice of Adoption. Projects that were previously advertised will not be subject to objection during this time period.

Notice of Adoption

The Notice of Adoption template attached mirrors the Notice to Taxpayers. The same specifications outlined above regarding the amounts to be identified on each line also apply to

the Notice of Adoption. Likewise, the sources of revenue outlined above are also provided in the Notice of Adoption. Again, **it is imperative that the correct property tax revenue for the ensuing budget year is published in the Notice of Adoption. This value will be used as a determining factor by the Department in approving the corresponding levy.**

The Notice of Adoption should be published within ten days of the date of adoption of the Plan. Ten or more taxpayers may file an objection petition with the auditor of the county in which the school corporation is located not later than ten days after the Notice of Adoption is published. Taxpayers may object to any new or modified items in the Plan, but may not object to projects that were previously included in the Plan (and therefore previously subject to objection). At the close of the ten-day objection period, if no petition is filed, the school corporation must obtain from the auditor a certification that no objection petition was filed. This certificate must be provided to the Department.

If an objection petition is filed, the auditor must immediately forward the petition to the Department. The Department will then schedule a hearing on the petition in the county in which the school corporation is located. After the hearing, the Department will certify its approval, disapproval, or modification of the Plan to the school corporation and the auditor.

The Department encourages all school corporations to adopt their Plan early to allow sufficient time for a Department hearing and review of objections to the Plan, as applicable.

Accurate completion of the attached notices and appropriate publication of these notices is crucial for the successful and timely completion of budget reviews by the Department. Your assistance in meeting these requirements is appreciated.

If you have any questions on the attached notices, please contact Courtney Schaafsma, Budget Division Director, at cschaafsma@dlgf.in.gov or (317) 234-3937.