Chapter 14

Additional Appropriation and Transfer Procedures

Additional Appropriations

New legislation in 2012, HEA 1072 (section 29) amends IC 6-1.1-18-5 effective July 1, 2012 to require additional appropriations for units that have annual appropriations approved by that body before they can submit them to the DLGF. This applies to libraries when the additional appropriation causes the budget to exceed the average growth quotient even though the original budget only received the non-binding recommendation.

New subsection IC 6-1.1-18-5(k) applies to public library that

> (1) is required to submit the public library's budgets, tax rates, and tax levy for nonbinding review under IC 6-1.1-17-3-5; and
>
> (2) is not required to submit the public library's budgets, tax rates, and tax levy for binding review and approval under IC 6-1.1-17-20

If a public library subject to IC 6-1.1-18-5(k) proposes to make an additional appropriation for a year, and the additional appropriation would result in the library's budget for that year increasing (as compared to the previous year) by a percentage that is greater that the result of the average value growth quotient determined under IC 6-1.1-18.5-2 for the calendar year minus one (1), the additional appropriation must first be approved by the city, town, or county fiscal body described in IC 6-1.1-17-20.3(c) or IC 6-1.1-17-20(d), as appropriate. The library's additional appropriation must be approved by the city, town or county fiscal body, whichever is appropriate.

State grant monies, such as Build Indiana grants, that are not required to be paid back and that are itemized and earmarked for particular expenditures do not need to be appropriated by the taxing unit in order to make such expenditures. The State Technology Grant Fund is a restricted fund and expended only on broadband connectivity. Grant monies are also restricted funds and must be expended in accordance with the grant budget. These funds are not reported to DLGF.

Additional Appropriations/Transfer Procedures 2012 -

www.in.gov/dlgf/files/120524_Additional_Appropriations.pdf

Transfer of Funds to and From the Rainy Day Fund

Money is never transferred out of the Rainy Day Fund. To spend money from the Rainy Day Fund requires a submitted and approved budget or an additional appropriation.

To establish the Rainy Day Fund requires a resolution. Here is a copy of the resolution found on the LDO website at www.in.gov/library/3289.htm Please see the following page. This is a template and requires for its purpose.

Transfers can be made to the Rainy Day Fund anytime during the year. Total transfer during the year can be no more than 10% of total budget for the current year.

Further procedures for Rainy Day Fund are outlined in Chapter 3 starting on page 3 of the State Board of Accounts Manual of Accounting for Public Libraries found online at www.in.gov/sboa/2802.htm.

Resolution to Establish a Rainy Day Fund

WHEREAS, the Board of Trustees of the _____Public Library (hereafter "Board") finds that the purposes of the _____ Fund has been fulfilled [or list specific multiple funds if applicable]; and,

WHEREAS, there remains in the fund unused and unencumbered funds, and

WHEREAS, I.C. 36-1-8-5 and I.C. 36-1-8-5.1 authorizes the board to transfer such funds, at any time during the fiscal year, to a Rainy Day Fund so long as the amount of funds transferred is not more than 10% of the library's total annual budget for the fiscal year.

NOW THEREFORE BE IT RESOLVED, that the Board does hereby establish a Rainy Day Fund for the following purpose: _____; and

BE IT FURTHER RESOLVED, that sources of funding for the Rainy Day Fund may include unused and unencumbered funds under I.C. 36-1-8-5; funds received under I.C. 6-3.5-1.1-21.1 (CAGIT); I.C. 6-3.5-6-17.3 (COIT); I.C. 6-3.5-7-17.3. (CEDIT), or any other funding source specified in any future resolution adopted under I.C. 36-1-8-5.1 which is not otherwise prohibited by law; and [modify this clause, or delete, as appropriate for your library]

BE IT FURTHER RESOLVED, that the Board acknowledges that this fund is subject to the same appropriation process as other funds that receive tax money; and

BE IT FURTHER RESOLVED, that the Board hereby transfers the balance of the _____ Fund [or list specific multiple funds if applicable] to the Rainy Day Fund, such transfer being in the amount of $_____; and

BE IT FURTHER RESOLVED, that the Board will report this transfer to the Department of Local Government Finance.

DULY ADOPTED by the Board of Trustees of the _____ Public Library at its regular meeting held on the _____ day of _____, _____, at which meeting a quorum was present.

NAY	AYE
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

ATTEST _____

SECRETARY _____

Transfer of Funds to Library Improvement Reserve Fund (LIRF)

For procedures on transferring funds to Library Improvement Reserve Fund (LIRF) see Chapter 3 starting on page 3 of the State Board of Accounts Manual of Accounting for Public Libraries found online at www.in.gov/sboa/2802.htm

The LIRF fund is established by Resolution. The money is not to be set up in a separate bank account. The transfer is authorized by a warrant from the operating fund. The actual transfer may occur at any time but needs to be completed before the appropriation expires at the end of the year.

Procedure for Additional Appropriation

The following steps must be followed to obtain an additional appropriation that was not included in the certified annual budget and certified appropriations of the unit as reflected on Line 1 of the final version of the unit's Fund Report. These procedures are followed for reporting only funds such as Rainy Day Fund and Library Improvement Reserve Fund (LIRF). For categorized budgets with the Library's operating fund see the procedure to follow for transfers of appropriations when an equal amount of appropriations are reduced in one major category and reappropriated in another major category within the same fund.

Library board gives notice of proposed additional appropriation. The notice shall state the time and place at which a public hearing will be held on the proposal. The notice shall include fund name and number, a categorical breakdown of the proposed additional appropriation for each fund, and the total of the proposed additional appropriation for each fund. The notice shall be published one time in two newspapers, if available, not less than ten (10) days before the public hearing on the proposal, in accordance with IC 5-3-1-2(b).

The library board shall hold the public hearing on the proposal as advertised. At the public hearing, action shall be taken to approve, modify, or disapprove the proposed additional appropriations as advertised. If the board tables the request until the following meeting, the additional appropriation does not have to be re-advertised provided the tabling of the request is stated publicly and included in the minutes of the correct advertised meeting to follow. The board shall not adopt appropriations exceeding the amount advertised.

If the library board proposes to make an additional appropriation for a year, and the additional appropriation would result in the budget for the library for that year increasing (as compared to the previous year) by a percentage that is greater than the result of the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the calendar year minus one (1), the additional appropriation must first be approved by the city, town, or county fiscal body described in IC 6-1.1-17-20.3(c) or IC 6-1.1-17-20(d), as appropriate

After the public hearing, the proper officers complete and file with the Department of Local Government Finance a Certified Copy of Additional Appropriation ("Certified Copy") and any other relevant information, including the unit's financial information. The requested amount of additional appropriation shown on the Certified Copy must not exceed the fiscal body's final approved amount or the advertised amount.

Resolution for Additional Appropriation

WHEREAS, Board of Trustees of the _____ Public Library (hereafter "Board") has determined that it is now necessary to appropriate more money than was originally appropriated in the annual budget;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of the _____Public Library that for the expenses of the taxing unit the following additional sums of money are hereby appropriated out of the funds named and for the purposes specified, subject to laws governing the same:

DULY ADOPTED by the Board of Trustees of the _____ Public Library at its regular meeting held on the _____ day of _____, _____, at which meeting a quorum was present.

Fund Name: _____	Amount Requested	Amount Approved
Major Category		
10000 Personal Services	$_____	$_____
20000 Supplies	$_____	$_____
30000 Other Services/Charges	$_____	$_____
40000 Capital Outlays	$_____	$_____
TOTAL for _____Fund	$_____	$_____

(Repeat for any other funds)**********

JULY ADOPTED by the Board of Trustees of the _____ Public Library at its regular meeting held on the _____ day of _____, _____, at which meeting a quorum was present.

NAY	AYE
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

ATTEST _____ SECRETARY _____

NOTICE TO TAXPAYERS OF ADDITIONAL APPROPRIATIONS

Notice is hereby given the taxpayers of _____ Public Library, _____ County, Indiana, that the proper legal officers will consider the following additional appropriations in excess of the budget for the current year at their regular meeting place at (location), at time am or pm, on the (number) day of (month), (year)

Fund Name:	Amount
_____	
Major Category	
10000 Personal Services	$_____
20000 Supplies	$_____
30000 Other Services/Charges	$_____
40000 Capital Outlays	$_____
TOTAL for_____Fund	$_____

(Repeat for any other funds)

Taxpayers appearing at the meeting shall have a right to be heard.

CERTIFIED COPY OF ADDITIONAL APPROPRIATION

County # _____
Unit # _____
Date Received:

Order Number:

UNIT NAME: _____

COUNTY NAME: _____

Date of Publication _____ Newspaper _____

Date of Publication _____ Newspaper _____

Date of Public Hearing _____

Date of Resolution/Ordinance _____

Complete for each fund from which the additional appropriations are made. Use a separate column for each fund.
Lines referred to below are on the Fund Report from the Department.

A. **Department** Fund Number				
B. Fund Name				
C. Appropriation Amount Requested				
D. Amount by Reduction				
E. Net Amount of Increase (C minus D)				
1. Property Tax Levy (Line 16)				
2. Levy Excess (Line 15)				
3. PTRC from CAGIT (Line 13A)				
4. LOIT Freeze Amount (Line 13B)				
5. Misc. Revenue (Line 8B) (If higher than 8B amount, a revised Budget Form 2 must be attached.)				
6. January 1 Cash Balance (include investments)				
7. Subtotal of Funds (Add 1thru 6)				
8. Less Circuit Breaker				
9. Total Funds (7 minus 8)				
10. Department Approved Budget (Line 1)				
11. Encumbered Appropriations				
12. Temporary Loans Outstanding as of January 1				
13. Beginning Obligations (Add 10 thru 12.)				
14. Surplus Funds (9 minus 13)				
15. Previous additional appropriation(s) approved since January 1, less any reductions in appropriations.				
16. Amount transferred to the Rainy Day Fund				
17. Surplus Funds Remaining (14 minus 15 minus 16)				

I, _____, fiscal officer of _____, do hereby certify that the above information is true and correct.
Dated this ___ day of _____, 20___.

(Signature) _____(Title)_____

(Unit Address) _____(Telephone Number)_____

(City/Town/Zip Code)_____(E-mail Address Optional)_____