

CHAPTER 9 BUDGETS AND APPROPRIATIONS

SECTION A - GENERAL DISCUSSION

This chapter is devoted to duties of the county auditor with respect to "Budgets and Appropriations," including not only the budgets and appropriations for county offices and departments but, also, those of other local governmental units and taxing districts.

One of the most important duties of the county auditor is the preparation of the annual budget, since the duty carries with it the responsibility for determining the funds necessary to be raised and the tax levies required to meet expenses of county government. These duties are more fully covered in the sections that follow but it cannot be overemphasized that extreme care be taken to insure (1) that each budget estimate is properly prepared by each officer, board or commission; (2) that estimates of miscellaneous revenue, receipts from taxes and other sources are correct; and (3) that the auditor's ledgers are properly reconciled as of July 1, the date used in compiling the published budget for the ensuing year.

The first step, of course, is to see that the budget forms listed in Section B are on hand by July 1, all of which forms should be purchased by the auditor and the budget estimate forms furnished to each officer, board or commission on or before July 1.

SECTION B - BUDGET FORMS

The following budget forms, all of which are listed in Chapter IV, have been prescribed for use of county offices and departments and, unless an alternate form has been approved, shall be used in all counties.

<u>Form No.</u>	<u>Title</u>
1 (1985)	Budget Estimate
2 (1985)	Estimate of Miscellaneous Revenue for Cities, Towns and Counties
3 (1997)	Notice to Taxpayers of Budget Estimates and Tax Levies
4 (1990)	Ordinance for Appropriations and Tax Rates
4A (1985)	Budget Report
4B (1997)	Budget Estimate of Funds to be Raised and Proposed Tax Rates
33A (Rev. 1980)	Estimate of Fees and Other Revenues Payable to County
PR6 (Rev. 1972)	County Auditor's Report of Poor Relief Expenditures and Budget Estimate

SECTION C - SALARIES AND WAGES

A preliminary step to preparing the budget estimate for each office or department is to determine the salaries and rates of wages proposed to be paid officers and employees in the ensuing budget year.

The following form has been prescribed for use of county and township assessing officials in submitting their proposals:

County Form No. 144 - Statement of Salaries and Wages
Proposed to be Paid Officers and Employees

County Form No. 144 is required to be filed by each officer, board or commission, whose officers or employees are paid from county funds, except for judges of courts. This includes township assessors and township trustees serving as assessors for salaries and wages of assessors, deputy assessors and employees, but not the salaries of township trustees. The form must be filed with the county auditor by not later than July 2 each year. [IC 36-2-5-4]

The county auditor shall present the statements, County Form No. 144, to the board of county commissioners at the July meeting of the board. The board of county commissioners shall review the statements and make their recommendations, for the consideration of the county council, prior to August 20. [IC 36-2-5-4]

The county council shall, at its annual budget meeting, consider and act on the statements and the recommendations of the board of county commissioners. [IC 36-2-5-11] A SEPARATE ORDINANCE FIXING THE SALARIES OF COUNTY OFFICERS, DEPUTIES, ASSISTANTS AND EMPLOYEES SHALL BE ADOPTED BY THE COUNTY COUNCIL. This ordinance shall also fix the number of deputies, assistants and other employees for each office, department, commission or agency, except part-time and hourly rated employees for which employment is limited only by the amount of funds appropriated to pay their compensation. The salary ordinance is a separate and distinct ordinance and should in no way be combined with the ordinance for appropriations.

The salaries of elected county officers shall not be changed in the year for which fixed except as may be required by statute. The salaries of other officers, deputies, assistants and employees or the number of each may be changed at any time pursuant to application of the affected officer, department, commission or agency and upon the affirmative vote of two-thirds (2/3) of the county council members. [IC 36-2-5-13]

The county council shall meet no later than their last meeting in September and adopt a separate ordinance fixing the salaries to be paid to township officers and employees in those townships where the township trustee serves as ex-officio township assessor. The county shall pay the assessing portion of their salary from the county general fund in an amount that is not below the salary level set for the year 1984. The remaining amount is to be paid from the township fund. [IC 36-6-8-10]

To facilitate the setting of salaries for assessing officials and employees and for the portion of the township trustee's salary to be paid by the county, we have recommended to county and township officials that the following procedures be followed:

1. Each township trustee/assessor should submit a County Form No. 144 to the county auditor by July 2, requesting the rates of pay and amounts to be paid to trustee/ assessors, deputy assessors and other assessing employees for the county's portion of assessing salaries. County Form No. 144 should be sent each trustee/assessor by the county auditor with the request that this information be shown thereon.
2. A single County Form No. 144 will be prepared by the county auditor showing the portion of the salaries of all the township trustee/assessors to be paid by the county. These salaries should be not below the level that prevailed on January 1, 1984.

SECTION D - BUDGET ESTIMATES - FORMS AND USE, DATE OF FILING

A budget estimate must be prepared by each officer, board or commission, on forms supplied by the county auditor. (IC 36-2-5-5) The estimates shall be completely itemized in conformity with the printed estimate forms, showing the anticipated expenditures under each of the minor expenditure classifications.

All county officers, boards and commissions, except those for which specific budget estimate forms have been prescribed, shall file their estimate on County Budget Form No. 1. This will include without limitation the clerk of the circuit court, county auditor, county treasurer, county recorder, county sheriff, county surveyor, county coroner, prosecuting attorney, county assessor, each township assessor, each township trustee serving as ex-officio township assessor, registration of voters, county cooperative extension service, plan commission, county board of review, county drainage board, veterans service officer, weights and measures inspector, county board of education, and probation department when so directed by the court. This form shall also be used by the county health board, park and recreation board and board of aviation commissioners, even though financed from a separate fund and tax levy.

Institutions, such as the court house, county jail, county home, county children's home and juvenile detention home; the election board; each court; the county commissioner's budget; the county highway department; and the county department of public welfare shall submit their budgets on Budget Form No. 1.

All budget estimates, when completed, shall be presented to the auditor before the Thursday following the first Monday in August. [IC 36-2-5-9]

SECTION E - BUDGET CLASSIFICATION - OBJECTS OF EXPENSE

There are four (4) major budget classifications of expense, which are defined as follows:

Personal Services (Includes Items Formerly Recorded Under Personal Services as Well as Employee Benefits)

Salaries and wages should include anticipated expenditures for salaries and wages for all persons employed by the office, board, commission, department, institution, etc., including elected officers, appointed officers, deputies, etc.

It is suggested that the salary of the elected official or the department head and the account number be shown on the first line under salaries and wages. This would be followed by the salaries of deputies, clerical assistants and other employees.

Employee benefits should include anticipated expenditures for employer contributions to a retirement system (PERF), insurance, sick leave, etc.

Other personal services should include anticipated expenditures for any other compensation such as fees, per diem, etc.

Supplies (Includes Items Formerly Separately Reported Under Supplies and Materials)

Office supplies should include anticipated expenditures for stationery, printing, forms, official records, etc.

Operating supplies should include anticipated expenditures for sanitation supplies, institutional supplies, gasoline, oil, lubricants, tires, tubes, and other garage and motor supplies.

Repair and maintenance supplies should include anticipated expenditures for building materials and supplies, repair parts for various equipment, etc.

Other supplies should include anticipated expenditures for any supplies not listed under one of the above three (3) subcategories, such as small tools, hardware, paint, etc.

Other Services and Charges (Includes Items Formerly Recorded Under Contractual Services, Current Charges, Except for Fringe Benefits, Current Obligations, and Debt Service)

Professional services should include anticipated expenditures for legal, engineering, architectural services, etc.

Communication and transportation should include anticipated expenditures for freight, express, postage, travel, telephone, telegraph, drayage, etc.

Printing and advertising should include anticipated expenditures for printing other than office supplies, publications of legal notices, photocopying, blueprinting, etc.

Insurance should include anticipated expenditures for all insurance other than that related to personal services and should also include official bonds.

Utility services should include anticipated expenditures for electricity, gas, water, sewage, etc.

Repairs and maintenance should include anticipated expenditures for repairs and maintenance of buildings, structures, improvements, equipment, etc.

Rentals should include anticipated expenditures for hydrant, land, building, machinery and equipment rentals.

Debt service should include anticipated expenditures for retirement of all principal and interest payments on general long-term debt.

Other services and charges should include anticipated expenditures for services and charges not listed in one of the categories above. Examples would include, dues, subscriptions, memberships, taxes, awards, grants, public assistance, refunds, indemnities, judgments, etc.

Capital Outlay (Includes Items Formerly Reported Under Properties)

Should include anticipated expenditures for the acquisition of or addition to the following assets:

Land
Buildings
Improvements Other Than Buildings
Machinery and Equipment

Each of the foregoing major budget classifications may be further divided into minor expenditure classifications and the budget estimate submitted by each office, board, or commission shall be itemized in conformity with such minor expenditure classifications, if required.

SECTION F - ACTION BY BOARD OF COUNTY COMMISSIONERS

The board of county commissioners shall prepare separate estimates of expenditures to be made by the board. [IC 36-2-5-7] Estimates required by IC 36-2-5-7 to be prepared by the board shall embrace each of the following items:

1. Each building or institution maintained or supported by the county, such as court house, county home, jail or other building or institution maintained or supported from county funds. A separate estimate shall be prepared for each such building or institution.
2. The amount required for building bridges, itemizing the location and amount of each bridge; also, the amount required for repair of bridges.
3. Amounts required for paying principal and interest of bonds and loans maturing during the ensuing calendar year.
4. Expenses of commissioner's court, including those items of expense provided for in IC 36-2-5-7, except for those expenses which later laws enacted give jurisdiction to other boards, such as the county election board and the county board of health.

In addition to the foregoing, the board of county commissioners has jurisdiction over the budget for the county highway department, for which separate estimates should be prepared for the county highway fund, the cumulative bridge fund and for any other fund under jurisdiction of the board.

In an Official Opinion of the Attorney General (OAG 1943, Page 512) it was held that the board of county commissioners has jurisdiction only over their own budgets and not over the budgets of other county offices and departments. Therefore, unless expressly provided for by law, the budgets of other offices and departments should not be submitted to the board of county commissioners for approval or action thereon.

SECTION G - ESTIMATE OF FEES AND OTHER REVENUES PAYABLE TO COUNTY

County Budget Form No. 33A, Estimate of Fees and Other Revenues Payable to County, is required to be filed by each county officer or department receiving fees or other revenues payable to the county general fund. This form shall be completed to show estimated amounts to be received from July 1 to December 31 of the current year, from January 1 to December 31 of the year for which the budget estimate is prepared and from January 1 to June 30 of the year next following the year for which the budget estimate is prepared. These estimates of fees and revenues shall be filed with the county auditor on or before the Wednesday following the first Monday in August, and form the basis for assisting the auditor in preparing the Estimate of Miscellaneous Revenue discussed in Section H of this Chapter.

The Estimate of Fees and Other Revenues, Form No. 33A, should also be prepared by each department financed from a separate fund other than the county general fund, including without limitation the county park and recreation department, the board of aviation commissioners and the county health department.

SECTION H - ESTIMATE OF MISCELLANEOUS REVENUE

County Budget Form No. 2, Estimate of Miscellaneous Revenue, is to be prepared for each fund. Column A shall show estimated amounts to be received from July 1 to December 31 of the current year; and Column B shall show estimated amounts to be received in the year for which the budget estimates are prepared.

Great care should be taken in the preparation of the Estimate of Miscellaneous Revenue. An overestimate of funds to be received will result in a shortage of cash to meet necessary expenditures, while an underestimate will cause an excessive tax levy and an undue burden on taxpayers. The estimate shall include receipts from every source, except property taxes and the portion of local option tax designated as "property tax replacement credit" to be received in the ensuing year, as further discussed in this Section.

The ledgers of receipts for the last two (2) preceding years and the first six months of the current year should be carefully reviewed and a worksheet, showing the source and amount of all receipts, should be prepared, as a guide in projecting receipts to be included in the estimate for each fund. The Estimate of Fees and Other Revenues, Form No. 33A, filed by each county office or department should also be considered in preparing the estimates. Any large differences between the receipts, as taken from the ledger, and the receipts shown on the estimates submitted by departments should be discussed with the particular county officer or department head, in order to obtain an accurate estimate.

In those counties which have adopted the local option tax, the Estimate of Miscellaneous Revenue must include the amounts to be received for County Option Income Tax (COIT) and for the "certified shares" portion of County Adjusted Gross Income Tax (CAGIT) and must also include the amount to be received in the remainder of the current year from the "property tax replacement credit" portion of CAGIT. Do not include in the estimate the amount to be received for property tax replacement credit in the ensuing year (year for which budget is being prepared), since this credit is to be entered on line 13 of the Budget Estimate of Funds to be Raised and Proposed Tax rates, Budget Form 4-B (1997). Amounts to be received from certified shares and from the property tax replacement credit may be applied to one fund, such as the county general fund, or may be allocated to two or more funds.

SECTION I - ESTIMATES OF ASSESSED VALUATIONS AND TAXES TO BE FURNISHED EACH POLITICAL SUBDIVISION

Pursuant to IC 6-1.1-17, it is the duty of the county auditor, on or before August 1 of each year, to send a certified statement, under the seal of the board of county commissioners, to the fiscal officer of each political subdivision of the county, containing:

1. Information concerning the assessed valuation in the political subdivision for the next budget year.
2. An estimate of the taxes to be distributed to the political subdivision during the last six (6) months of the current budget year. The estimate of taxes to be distributed shall be based on the abstract of taxes levied and collectible for the current year, less any taxes previously distributed for the year, and any other information at the disposal of the county auditor which might affect the estimate.

3. The current assessed valuation as shown on the abstract of charges.
4. The average growth in assessed valuation in the political subdivision over the preceding three (3) budget years, excluding years in which a general reassessment occurs, determined according to procedures established by the state board of tax commissioners.
5. Any other information at the disposal of the county auditor that might affect the assessed value used in the budget adoption process.

SECTION J - PREPARATION AND PUBLICATION OF BUDGET

The county budget is to be prepared and published on County Budget Form No. 3, Notice to Taxpayers of Tax Levies. Sufficient copies shall be prepared to file two copies with the county board of tax adjustment, one copy of which is to be transmitted to the State Board of Tax Commissioners; one copy for each publisher; and one copy retained on file in the auditor's office. Detailed instructions to county auditors and publishers are printed on County Budget Form No. 3 and should be carefully studied prior to preparing the notice.

The total of the budget estimate submitted by each officer, board or commission is to be entered on the left side of the budget form. The total of the budget estimates for the county general fund and the total of the budget estimates for each separate fund for which budget estimates are submitted must be entered in this section and must agree with line 1 under "Estimate of County Funds to be Raised."

The Budget Estimate of Funds to be Raised and Proposed Tax Rates, Budget Form 4-B (1997) contains sixteen (16) lines and five (5) columns. While the column headings are intended to be self-explanatory, care should be taken to be sure the figures are entered in the appropriate columns. An explanation of the entries to be made on each line is as follows:

Line 1 - Enter the total budget estimate for the incoming year. The figures entered on this line must agree with the total of the budget estimates for each fund.

Line 2 - Enter the necessary expenditures to be made from appropriations unexpended from July 1 to December 31 of the present year. Before entering these figures care should be taken to see that the appropriation ledger accounts are in balance and, if an appropriation control account is maintained for each fund, as provided for in Chapter VI, it will represent the balance in the appropriation control account, less appropriations which will not be expended during the balance of the current year. If the appropriation ledger accounts are maintained to account for encumbrances, be sure to use the appropriation balances including encumbrances, since this line should show the amounts to be "disbursed" during the remainder of the current year, July 1 to December 31. It is suggested that a worksheet be prepared to show the total unexpended appropriations for each fund as of June 30, a list of the appropriations or portions thereof not expected to be expended during the remainder of the year, leaving the "necessary expenditures" to be made from appropriations unexpended as of June 30.

Line 3 - Enter the total amount of additional appropriations estimated to be needed from July 1 to December 31 of the current year. This should be determined from a review of the appropriation ledger accounts and, to support the amounts entered on this line, a list of such appropriations should be prepared. In addition, each officer, board or commission should be contacted to determine what additional appropriations might be needed during that period.

Line 4 - Enter all temporary loans outstanding (unpaid) on June 30 of the current year. Be sure to include loans from other funds in addition to loans from financial institutions. If a loan is payable to a fund for which a tax levy is proposed, also be sure to include the receipt from such loan in the Estimate of Miscellaneous Revenue for the fund from which the loan was made. Do not include on this line any loan which you contemplate making on or after July 1; enter only loans outstanding (unpaid) on June 30 of the current year.

Line 5 - Enter the total of lines 1, 2, 3 and 4 to obtain the total amount of funds required to meet expenses for the eighteen month period, July 1 of the current year to December 31 of the ensuing year.

Line 6 - Enter the actual fund balance for each fund as of June 30 of the current year as shown in the funds ledger. If any portion of a fund has been invested, be sure to enter the total fund balance including cash and investments. It is most important that each fund account be in balance and reconciled with the county treasurer as of June 30, since an error on this line, as well as errors on other lines of the budget, may seriously affect the amount of funds to be raised and the resultant tax levy.

Line 7 - Enter the estimated amount of property taxes to be received in the December settlement for each fund. This figure may be obtained by deducting the property taxes received in the June settlement from the total shown for each fund on the abstract of taxes collectible in the current year. If the June settlement is not made on or before June 30, this figure should be obtained by deducting any property tax advances from the total taxes collectible in the current year as shown on the abstract. Do not include financial institutions and license excise taxes on this line, since these distributions are to be entered in the Estimate of Miscellaneous Revenue for each fund.

Line 8 - Enter on lines 8a and 8b the amounts estimated to be received from special taxes and from all other revenues, for the period July 1 of the present year to December 31 of the ensuing year, from the Estimate of Miscellaneous Revenue, Form No. 2, prepared for each fund.

Line 9 - Enter on this line the total of lines 6, 7, 8a and 8b to obtain the amount of funds estimated to be available to meet expenses for the eighteen month period, July 1 of the current year to December 31 of the ensuing year.

Line 10 - Enter the difference between line 9 and line 5, which represents the net amount to be raised by property taxes to meet expenses to December 31 of the ensuing year.

Line 11 - Enter on this line the amount of operating balance needed or to be requested. The amount entered on this line is to provide operating funds extending for a period of not to exceed six months beyond the year for which the budget is prepared and the amount must not exceed actual expenses (disbursements), less the miscellaneous revenue, for that period. If no amount is entered on this line it will simply mean, based upon the estimates, that the amount to be raised by taxes (line 10) plus other revenues available (line 9) will only meet the total funds required (line 5) and result in there being no cash balance available for operating purposes at the close of the year for which the budget is prepared. As a guide, it is well to review the cash balance in each fund as of January 1 of the current year, the projected cash balance at the close of the current year, and the published budgets for prior years, to determine the amount to be included for each fund. The projected cash balance at the close of the current year, based upon the estimate, may be obtained by adding lines 2, 3, and 4 and deducting therefrom the total of lines 6, 7 and Column A of the Estimates of Miscellaneous Revenue included on line 8a.

Line 12 - Enter on this line the total of lines 10 and 11, which will be the amount to be raised by tax levy in those counties which have not adopted local option tax. (Strike out lines 13 and 14 if county has not adopted local option tax.)

Line 13 - In those counties which have adopted the County Adjusted Gross Income Tax (CAGIT) enter on this line the "property tax replacement credit" to be applied to reduce the amount to be raised by tax levy. The State Board of Tax Commissioners computes the distributions to be made each year and will furnish this information to county auditors in advance of preparing and publishing the budget. The distributions are divided into two portions, one known as "certified shares" which must be included in the Estimates of Miscellaneous Revenue, and the other known as "property tax replacement credit" which must be entered on line 13 of the published budget. Only the portion of the property tax replacement credit to be received in the year for which the budget is prepared is to be entered on line 13; the portion of the property tax replacement credit to be received between July 1 and December 31 of the current year must be entered in Column A of the Estimates of Miscellaneous Revenue, since that portion was applied to reduce the tax levy for the preceding year. As noted in Section H of this Chapter, the amounts distributed for certified shares and for property tax replacement credit may be applied all to one fund or portions thereof to two or more funds; however, when received, care must be taken to see that the distributions are credited to such fund or funds in the amounts provided in the budget estimate for that year.

Line 15 - For State Board of Tax Commissioners use only.

Lines 14 and 16 - Enter on these lines the difference between line 12 and line 13, which will represent the amount to be raised by tax levy in those counties adopting the local option tax.

After completing the sixteen line statement under Estimate of County Funds to be Raised enter the amount of "net taxable property" of the county in the space provided, on which property taxes will be levied and collected in the ensuing year. Extreme care should be taken to determine the correctness of the amount, from the assessors' books and other records in the auditor's office. The State Board of Tax Commissioners will request a statement listing the assessments by taxing district to support the amount entered and also to provide that Board with the amounts furnished to other taxing units in the county, and these statements should be submitted with the budget papers. The term "net taxable property" will be the assessed valuations for the assessment year in which the budget is being prepared, adjusted for changes by the county board of review and State Board of Tax Commissioners, less exemptions and deductions from the assessed valuations.

The Notice to Taxpayers of Budget Estimates and Tax Rates shall be published twice in two (2) newspapers, published in the county. If only one (1) newspaper is published in the county then publication in that newspaper alone is sufficient. [IC 5-3-1-4 and IC 6-1.1-17-3] The first publication shall be made at least ten (10) days before the date fixed for the public hearing on the budget. [IC 6-1.1-17-3]

SECTION K - COUNTY COUNCIL MEETING

There shall be a meeting of the county council not later than the last meeting in September, of every year, for the purpose of fixing the rate of the tax levy and making appropriations. [IC 6-1.1-17-5]

The Ordinance for Appropriations and the Ordinance of Tax Levies must be read upon at least two (2) separate days before adoption. [IC 36-2-5-11] Therefore, the council must be in session for at least two (2) days at the regular annual meeting.

At the meeting of the council the auditor shall present all of the budget estimates. It is also the auditor's duty, before such meeting, to prepare ordinances to be adopted by the council. The council at this meeting shall act upon the ordinances fixing the tax levies and rates within the limits prescribed by law and make the necessary appropriations. [IC 36-2-5-11] Ordinance Form 4, listed in Section B of this Chapter, has been prescribed for use of county auditors in complying with this law.

SECTION L - COUNTY BOARD OF TAX ADJUSTMENT

The county board of tax adjustment is composed of seven (7) members, who are required to be appointed before April 15 of each year and the appointments shall continue in effect until April 15 of the following year. The board shall hold its first meeting of each year on September 22 or on the first business day after September 22, if September 22 is not a business day, at which meeting it shall elect a chairman and a vice-chairman and proceed to perform its duties, as prescribed in IC 6-1.1-29.

The county auditor shall serve as clerk of the county board of tax adjustment and shall keep a complete record of all the board's proceedings. (IC 6-1.1-29-5)

The proper officers of each political subdivision shall file two (2) copies of the budget adopted by the appropriating body, two (2) copies of any findings adopted concerning objections in a petition, and a statement of the tax rate and levy fixed by the political subdivision with the county auditor at least two (2) days prior to the first meeting of the county board of tax adjustment. [IC 6-1.1-17-5]

The county board of tax adjustment shall review the budget, tax rate and tax levy of each political subdivision. The board shall revise or reduce, but not increase any budget, tax rate or tax levy. [IC 6-1.1-17-6]

The county board of tax adjustment shall complete the duties assigned to it on or before October 1 of each year. If the county board of tax adjustment fails to complete its duties by October 1, the county auditor shall complete these duties. [IC 6-1.1-17-9]

After adjournment of the county board of tax adjustment the county auditor shall submit a copy of the minutes and one (1) copy of the budgets of the various political subdivisions to the State Board of Tax Commissioners. One (1) copy of each budget shall also be kept on file in the county auditor's office.

Note: IC 6-1.1-29-9 allows county council, through an ordinance, to abolish such board.

SECTION M - NOTICE TO TAXPAYERS OF TAX LEVIES AND RATES

As soon as the budgets, tax rates and tax levies are approved or modified by the county board of tax adjustment, the county auditor shall within fifteen (15) days prepare a notice of the tax rates to be charged on each one hundred dollars (\$100) of assessed valuation for the various funds in each taxing district. The county auditor shall post the notice at the county court house and publish it in two (2) newspapers which have general circulation in the county. [IC 6-1.1-17-12] If only one newspaper is published in the county, publication in that newspaper shall be sufficient. [IC 5-3-1-4]

SECTION N - APPEALS TO STATE BOARD OF TAX COMMISSIONERS

A political subdivision may appeal to the State Board of Tax Commissioners for an increase in its tax rate or tax levy as fixed by the county board of tax adjustment or the county auditor. To initiate the appeal, the political subdivision must file a statement with the board within ten (10) days after publication of the notice required by the provisions of IC 6-1.1-17-12. The legislative body of the political subdivision must authorize the filing of the statement by adopting a resolution. The resolution must be attached to the statement of objections, and the statement must be filed by the following officers:

1. In the case of counties, by the board of county commissioners and by the president of the county council; or
2. In the case of all other political subdivisions, by the highest executive officer and by the presiding officer of the legislative body. [IC 6-1.1-17-15]

Ten (10) or more taxpayers may initiate an appeal from the action of the county board of tax adjustment on the budget of a political subdivision by filing a statement of their objections with the county auditor. The statement must be filed within ten (10) days after the publication of the notice required by the provisions of IC 6-1.1-17-12. The statement shall specifically identify the provisions of the budget and tax levy to which the taxpayers object. The county auditor shall forward the statement, with the budget, to the State Board of Tax Commissioners. [IC 6-1.1-17-13]

The county auditor shall initiate an appeal to the State Board of Tax Commissioners if the county board of tax adjustment reduces a poor relief tax rate below the rate necessary to meet the estimated cost of poor relief. [IC 6-1.1-17-14]

SECTION O - ACTION BY STATE BOARD OF TAX COMMISSIONERS

The State Board of Tax Commissioners may review, revise, reduce, or increase a political subdivision's budget, tax rate or tax levy of any of the political subdivisions whose tax rates compose the aggregate tax rate within a political subdivision. Before the State Board of Tax Commissioners reviews, revises, reduces or increases a political subdivision's budget, tax rate or tax levy, the board must hold a public hearing in the county in which the political subdivision is located. At least five (5) days before the date fixed for a public hearing, the board shall give notice of the time and place of the hearing and of the budgets, levies and tax rates to be considered at the hearing. The board shall publish the notice in two (2) newspapers of general circulation published in the county. However, if only one (1) newspaper of general circulation is published in the county, the notice shall be published in that newspaper. [IC 6-1.1-17-16]

After all budgets have been finalized by the State Board of Tax Commissioners, the order showing the action of that board should be carefully reviewed to determine the rates to be used in computing property taxes. The budgets and the order of the State Board of Tax Commissioners should be carefully checked and rechecked to eliminate the chance of any error in determining the tax rates.

SECTION P - NOTICE TO POLITICAL SUBDIVISIONS OF CHANGES IN BUDGETS, TAX LEVIES AND RATES

The proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed the budget for that year as finally determined. [IC 6-1.1-18-4]

Immediately upon receipt of the order showing final action on the budgets by the State Board of Tax Commissioners, the county auditor, as secretary of the county board of tax adjustment, must notify the proper officers of each political subdivision of any revision, reduction or increase made in any budget, tax levy or rate by either the State Board of Tax Commissioners or the county board of tax adjustment, so that the officers may comply with the provisions of IC 6-1.1-18-4. This is most important not only to insure compliance with the law but so that deficit spending does not result from failure of the auditor to properly notify the affected officers.

SECTION Q - ADDITIONAL APPROPRIATIONS AND TRANSFERS

If it is desired that more money be appropriated for a particular year than provided in the budget, as finally determined, the provisions of IC 6-1.1-18-5 must be observed. Notice of the meeting of the county council at which the proposed additional appropriations will be considered shall state the time and place at which the hearing will be held and given once at least ten (10) days before the date fixed for the meeting.

A sample notice to taxpayers of additional appropriations is shown on the following page. All proposed appropriations should be listed in the notice showing the name of each fund from which appropriations are to be made, the name of the office or department, the name of the appropriation account, the amount and the total appropriations requested for each fund, if two or more items are listed under any fund. Do not include the appropriation account numbers, since the account numbers are required only for accounting purposes.

The county council may authorize additional appropriations at a special meeting of the council by an ordinance passed by a majority vote of all the members of the council. The county council may adopt an ordinance that requires an additional appropriation to be passed by an affirmative vote of a certain number of members greater than a majority of all elected members of the county council. An ordinance adopted requiring an affirmative vote of a certain number of members greater than a majority of all elected members of the fiscal body to pass an additional appropriation must be adopted or repealed by a majority vote of all elected members of the county council. [IC 36-2-5-12]

After the public hearing is completed:

For all funds that received property taxes, except the Cumulative Bridge Fund, and for the County Highway Fund and the Local Road and Street Fund, the County Auditor shall file a Certified Copy of Additional Appropriations and any other relevant information with the State Board of Tax Commissioners.

For all funds that do not receive property taxes, other than the County Highway Fund and the Local Road and Street Fund, the County Auditor shall report the additional appropriations to the State Board of Tax Commissioners in the form of a certified copy.

The county council may approve the transfer of money from one major budget classification to another within a department or office, if the transfer does not require the expenditure of more money than the total amount set out in the budget as finally determined and if the transfer is approved at a regular public meeting and by proper ordinance. The transfer may be made without notice and without the approval of the State Board of Tax Commissioners. [IC 6-1.1-18-6]

NOTICE TO TAXPAYERS OF ADDITIONAL APPROPRIATIONS

Notice is hereby given the taxpayers of Parke County, Indiana, that the County Council of said County will meet at the Court House, Rockville, Indiana, at 10:00 o'clock A.M., on the 17th day of August, 1992, to consider the following additional appropriations in excess of the budget for the current year.

	<u>Amount</u>
County General Fund:	
County Auditor - Other Services and Charges	\$ 1,200
County Recorder – Supplies	1,850
County Assessor - Personal Services	900
Circuit Court - Capital Outlays	<u>5,000</u>
Total County General Fund	8,950
*Less Reductions	<u>400</u>
Net Additional Appropriations - County General Fund	<u>8,550</u>
County Highway Fund:	
Administration - Personal Services	1,000
Repairs and Maintenance – Supplies	<u>2,430</u>
Total County Highway Fund	<u>3,430</u>
Total - All Funds	<u>\$ 11,980</u>

Taxpayers appearing at the meeting shall have a right to be heard. The additional appropriations as finally made will be referred to the State Board of Tax Commissioners. The Board will make a written determination as to the sufficiency of funds to support the appropriations made within fifteen (15) days of receipt of a Certified Copy of the action taken.

(County Auditor)

*NOTE: It is not required by statute that appropriations to be reduced be specifically named in the published notice. It is essential, however, that they be included in the ordinance or resolution of appropriations adopted by the appropriating body.

By the provisions of IC 6-1.1-18-7, insurance recoveries resulting from damage to property of the county may be appropriated by the council without notice to taxpayers and without action thereon by the State Board of Tax Commissioners, if the funds are appropriated for the purpose of repairing or replacing the damaged property; however, under this section, the funds must be expended to repair or replace the property within the twelve (12) month period after receipt. When appropriated by the council the amount should be added to the appropriation account to which the expense of repairing or replacing the damaged property will be charged.

SECTION R - HEARING AND ACTION BY STATE BOARD OF TAX COMMISSIONERS

When the State Board of Tax Commissioners receives a Certified Copy of a proposal for an additional appropriation from funds including revenue from property taxes, motor vehicle highway or local road and street accounts, the Board shall determine whether sufficient funds are available or will be available during the calendar year for the proposal. The Board shall issue a written determination within 15 days of receipt of the proposal. The Board shall limit the amount of additional appropriation approval to revenues available, or to be made available, that have not previously been appropriated. The Certified Copy will include the appropriation encumbered from last year. The accuracy of these figures will be certified by the County Auditor to the State Board of Tax Commissioners.

If an appropriation is to be funded with income in excess of revenue estimates made at the time of the annual State Tax Board budget hearing, then information supporting such additional revenue must be provided at the time of submission. If revenue is available from carryover cash that is not encumbered from the previous year or the current budget, supportive evidence is not necessary. Additional miscellaneous revenue should be shown by completing a revised Budget Form 2 detailing increases.

SECTION S - APPROPRIATIONS - WHEN NOT REQUIRED

In some instances statutory authority is given the county auditor to make disbursements without an appropriation having been previously made for the specific purpose. Examples, which are not all inclusive, are as follows:

1. Premiums on official bonds. [IC 5-4-5-3]
2. Tax refunds. [IC 36-2-9-14]
3. Any money belonging to the state, school fund, or any fund of any township, town or city and commanded by law to be paid to such municipality. [IC 36-2-9-14]
4. Any money due a taxpayer which has been paid on a public improvement such as ditches and drains. [IC 36-2-9-14]
5. Redemption of property sold at tax sale. [IC 36-2-9-14]
6. Lodging, meals purchased, and mileage for conferences called by State Board of Accounts. [IC 5-11-14-1]
7. Examination of records. [IC 5-11-4-4]
8. Line fence assessments. [IC 32-10-9-4]
9. Federal grants, if advanced and not received as a reimbursement of expenditures.
10. Advances to conservancy districts on order of court. [IC 14-33-7-15]
11. Surplus tax. [IC 6-1.1-26-6]
12. Refund of money erroneously received. [IC 6-1.1-18-9]

13. Correction of errors in posting. [IC 6-1.1-18-9]
14. Jail commissary fund. [IC 36-8-10-21]
15. Investment of funds.
16. Title IV-D fund (clerk and prosecuting attorney portions).
17. Repayment of temporary loans.
18. Recorder's records perpetuation fund. [IC 36-2-7-10]
19. Firearms Training Fund. [IC 35-47-2-3]
20. Accident Report Fund. [IC 9-29-11-1]
21. County Law Enforcement Continuing Education Fund. [IC 5-2-8-1]
22. Community Corrections Grants. [IC 11-12-2]
23. Community Corrections Project Income. [IC 11-12-2-12]
24. Military Fines. [IC 10-2-5]

There may be other laws under which funds may be disbursed without appropriation; however, appropriations are required before disbursements may be made from any fund subject to the Budget Laws unless specific authority to disburse without appropriation is provided by law.

Although the statutes cited authorize disbursements to be made without appropriations, where any such expenses are payable from a fund supported by property taxes, the estimated expense of each item should be included in the budget in order to raise the necessary funds to meet such expense.

Warrants written without an appropriation should be posted on Form 24A, Ledger of Appropriations, Encumbrances, Disbursements and Balances, if the purpose for which the warrant was issued appears on the budget estimate forms. Other warrants written without an appropriation will be classified as "Non-Budgeted Expenditures" and posted in the manner prescribed on pages 5-8 and 5-9.

SECTION T - APPROPRIATIONS - REQUIRED BY COUNTY COUNCIL ONLY

The following is a list of funds which require county council approval of an appropriation. Due to the nature of the funds, the State Board of Tax Commissioners does not require submission of an additional appropriation request before the local appropriation can be approved.

1. County Supplemental Adult Probation Services Fund. [IC 35-38-2-1]
2. County Supplemental Juvenile Probation Services Fund. [IC 31-6-4-18]
3. County User Fee Fund. [IC 33-19-8-6]
4. Plat Book Fund. [IC 36-2-9-18]

5. Local Emergency Right to Know Fund. [IC 6-6-10]
6. Pretrial Diversion Fund (Excess). [IC 33-19-8-7]
7. Community Corrections Home Detention Fund. [IC 11-12-7; IC 35-38-2.5-8]
8. County Extradition Fund. [IC 35-33-14]
9. County Misdemeanant Fund. [IC 11-12-6-6]
10. Supplemental Public Defender Services Fund. [IC 33-9-11.5-2]
11. Emergency Telephone System Fund. [IC 36-8-16-14]*
12. Local Health Maintenance Fund. [IC 16-46-10]

*County Commissioners appropriate this fund.

SECTION U - APPROPRIATIONS CARRIED FORWARD

Appropriations may be carried forward to the following year if any of the following conditions exist:

1. A lawful contract has been entered into with a vendor or contractor on or before December 31 and all or a part of the contract has not been paid.
2. A purchase order has been issued on or before December 31, entered as an encumbrance against an existing appropriation, and is unpaid as of December 31.
3. Proceeds of a bond issue have been duly appropriated and remain unexpended as of December 31.
4. Appropriations which are obligated by a contract or agreement executed on or before December 31, between the county and any federal or state agency, such as a criminal justice planning grant, local road and street project, or federal grant requiring local matching funds.

Only the amount required to meet the balance due on a contract or purchase order may be carried forward; the amount remaining in the appropriation account shall revert to fund from which appropriated.