



Understanding the Budgeting Process

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Budget Field Representative

May 1, 2019



Purpose of Today's Training

- The Department wants to help ensure all schools understand the budgeting cycle so that they can accurately prepare their budget and avoid surprises during the budget certification process.
- The Department plans on accomplishing this by reviewing the following:

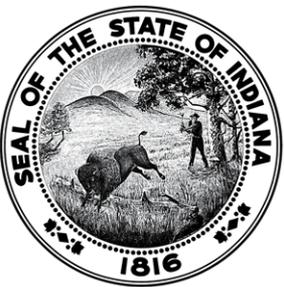
- DLGF School Submission Checklist
- Frequently Asked Questions
- Budget Forms
- Error Prevention Report



Maintaining Local Control

While working on preparing your budget, there are 3 main points to keep in mind that will help ensure local control of the adopted budget.

- 1. Maximum Levy Estimates:** Local officials have the option of using the Department's max levy estimates to aid in adopting property tax levies that do not exceed what the unit is allowed.
- 2. Fundable Budgets:** By advertising and adopting budgets that are funded, you are able to have a clear picture of next year's budget.
- 3. Earlier Meeting Dates:** Officials that choose to hold their public and adoption meetings earlier in the year, allow for time to restart the process prior to the November 1 deadline in the event of an error.



Maintaining Local Control

- You and your school board know your school's priorities best and the Department wants schools to maintain control over its own finances. Focusing on those 3 points maintains local control, because the Department generally will not:
 - Reduce a budget when the proper procedures are followed and its funded by available revenues.
 - Reduce a levy when adopted within the maximum levy.
 - Penalize a unit for a mistake if the unit restarts and still completes the budgeting process by November 1.
- This preserves the amounts prepared by you and adopted by your school board.

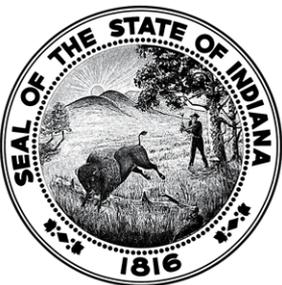


School Checklist



School Checklist

- The school checklist is an annual memo released by the Department to help schools ensure that all needed information is received so that the budget review can go as smoothly as possible.
- This is especially important because the December 31 budget order deadline results in the Department having 6 fewer weeks to certify budgets.



School Checklist

- The school checklist begins with the contact section that helps ensure your Budget Field Representative is reaching out to the correct person at the school with questions.
- It also serves as a reminder that these documents should be submitted within 2 days of adoption.

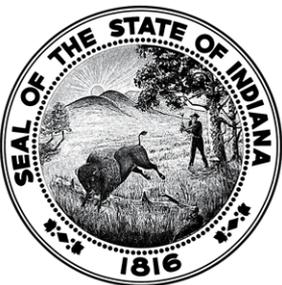
Please mail this completed form and the requested information to your Field Representative (http://www.in.gov/dlgf/files/Field_Rep_Map_-_Budget.pdf) within two days after the adoption meeting.

| | | | |
|---------------------------------------|-------|---------|-------|
| School Name: | _____ | County: | _____ |
| Contact Person: | _____ | Title: | _____ |
| Telephone: | _____ | Fax: | _____ |
| Mailing Address: | _____ | Email: | _____ |
| Alternate contact: (if applicable) | _____ | | |
| | _____ | | |



School Checklist

- An Excess levy appeal for increased transportation costs must be filed directly with the Indianapolis office of the Department.
 - Appeals may be mailed or emailed to the office. Last date to file is Oct. 21, 2019.
 - Be certain to include the appeal in the appeals column of Form 3: Notice to Taxpayers.
- This only applies to those schools pursuing an excess levy appeal to increase the Operation fund's maximum levy due to increase transportation costs better defined under the "School Transportation Excess Levy Appeal" memo.



School Checklist

- II. Operations Levy Appeal** - related to a bus replacement plan as described in IC 20-46-8-4 – must be filed directly with the Indianapolis office of the Department.
- Appeals may be mailed or emailed to the office. Last date to file is Oct. 21, 2019.
 - Be certain to include the appeal in the appeals column of Form 3: Notice to Taxpayers.



School Checklist

III. Budget Forms – Must be submitted via Gateway

- Prescribed Budget Forms 1, 2, 4A, and 4B for each fund, along with Forms 3 and 4.
- Current Year Financial Worksheet.
- Include a copy of any appropriation reduction resolution(s), if applicable.
- Debt Service Worksheet(s).
- 1782 Recipients: Registration of 1782 Notice Email Recipients.



School Checklist

IV. Reports to be submitted by mail

- Encumbrance information from 2018 (part of Form 9 for July 1 – December 31, 2018).
- DOE Form 9 for July 1 – December 31, 2018 (All sections).
- DOE Form 9 for January 1 – June 30, 2019 (All sections).
- Expenditure history reports for debt funds (Last 6 months of 2018 and January 2019 to present).
- These are all documents that can be sent in as soon as possible to aid in preparing for budget review.



School Checklist

IV. Reports to be submitted by mail

- Original/actual final amortization and/or lease rental schedules (schedules internally generated in Excel or Word documents are not acceptable) for debt issued this year, including refunding, refinancing, or restructured debt.
- For new debt: board resolutions, proofs of all publications, and notices required by law pertaining to the debt including notice of determination and auditor certificate (if applicable).



School Checklist

IV. Reports to be submitted by mail

- Lease rental affidavits
- Actual temporary loan interest for the last half of the current year, if applicable.
- Supplemental report of unreimbursed textbooks (showing student name, grade, and amount) if higher than amount certified by DOE.



School Checklist

V. Additional Information to be uploaded in Gateway

- Resolution adopting the Capital Projects Plan.
- Capital Projects Plan.*
- Resolution adopting the Bus Replacement Plan.
- Bus Replacement Plan.*
- Copy of School Board Resolution requesting fixed rate, cap, levy, combination fixed rate, etc. (if applicable.)

*House Enrolled Act 1021 - 2019



School Checklist

V. Additional Information to be uploaded in Gateway

- **Waivers:** Approving Order from the Department for exemption from protected taxes plus the workbook and current circuit breaker reported used for the workbook detailing transfers needed and line 7 calculations (if applicable).
- **Reallocations:** For school corporations that received a Determination of Eligibility, worksheets detailing circuit breaker re-allocation, transfers needed, and line 7 calculations.



School Checklist

V. Additional Information to be uploaded in Gateway

- Any other information the Department needs to prepare preliminary budget (i.e.: debt restructuring, petition for an adjustment to the Bus Replacement levy, documentation for successful referendums, etc.)
- Was a new Referendum fund approved via Ballot?
- Transfer resolutions (Required for transfers between Rainy Day, Education, and/or Operations in 2019.)



Frequently Asked Questions



FAQ: Pre-Budget Worksheet

What is the purpose of the Pre-Budget Worksheet?

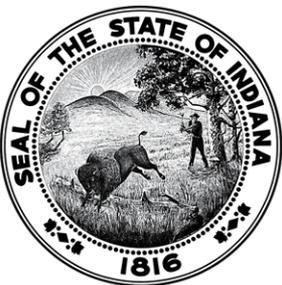
- It collects data essential for calculating the estimated debt service levy, estimated maximum levy and the property tax cap/circuit breaker estimates to be released by the Department.
- Due April 30, but please submit it as soon as possible if it is not currently complete and reach out for assistance if you need any.



FAQ: Property Tax Caps

What are Property Tax Caps/Circuit Breakers?

- Constitutional cap on the amount of property taxes property owners will pay (1% of AV for homesteads, 2% for farmland and rentals, 3% for commercial properties).
- If a taxpayer is about to be billed higher than their capped liability, the bill is reduced to the cap.
- As a result, the county will collect less property taxes. The loss of collections is then passed onto the units.
- When planning next year's budget, statute requires units to consider the "net" property tax revenue to be collected during the ensuing year that accounts for property tax cap losses.

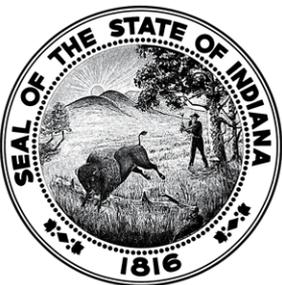


FAQ: Property Tax Cap Comparison

Should I compare my estimated tax caps to the actuals?

- Yes! This very important to ensure that your budget is still fully funded.
- To find the actual property tax cap losses go to www.in.gov/dlgf, click on “County Specific Information” on the left side, select your county and click on “2019 Circuit Breaker Report”.

| Unit | Unit Type/Fund Name | Fund Code | Certified Levy | Levy Based on Abstract AV | Over 65 Circuit Breaker | 1%/2%/3% Circuit Breaker | Total Circuit Breaker | Post-Circuit Breaker Levy |
|---------------------------|---------------------|-----------|----------------|---------------------------|-------------------------|--------------------------|-----------------------|---------------------------|
| Sample School Corporation | DEBT SERVICE | 0180 | \$4,874,745 | \$4,931,650.24 | \$9,640.75 | \$0.00 | \$9,640.75 | \$4,922,009.48 |
| | EDUCATION | 3101 | \$0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | OPERATIONS | 3300 | \$4,282,471 | \$4,332,461.64 | \$8,469.42 | \$779,682.00 | \$788,151.42 | \$3,544,310.22 |



FAQ: Property Tax Cap Comparison

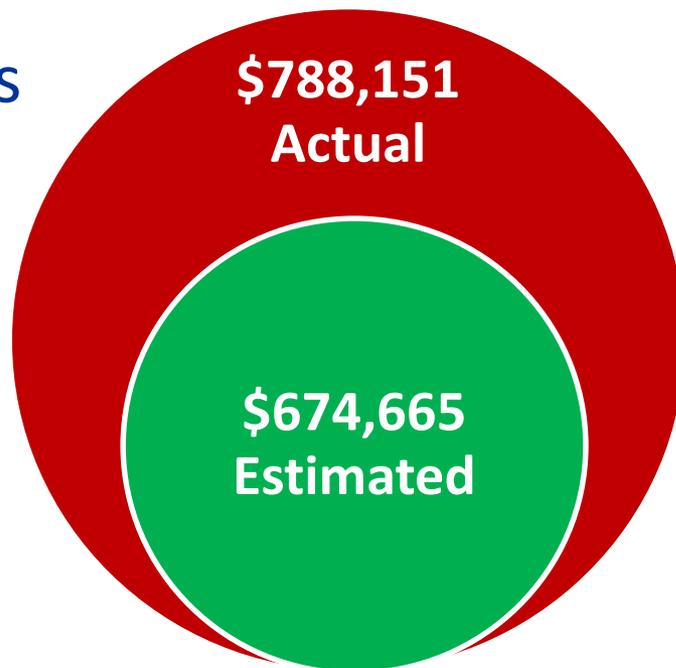
- The property tax cap loss estimate can be found on Line 1B of the **1782 Notice's Fund Report**.
- It's also important to note the operating balance.
- The operating balance is the estimated cash balance once the year has ended and can act as a buffer against higher tax caps. It is also used to aid in cash flow.

| | |
|--------------------------------|-----------------|
| FUND: | 3300 |
| AV: | \$1,349,172,082 |
| 1A. Gross Budget Est | 13,714,601 |
| 1B. Est Prop Cap Impact | 674,665 |
| 1C. Net Budget Est | 13,039,936 |
| 1D. School Transfer Out | 0 |
| 2. Expenditures J1-Dec | 8,711,508 |
| 3. Add App J1 - Dec | 0 |
| 4A. Temporary Loans | 0 |
| 4B. Loans Not Pd 12/31 | 0 |
| 5. TOTAL EST EXP | 22,426,109 |
| 6. Cash Balance 6/30 | 7,570,043 |
| 7. Dec Tax Collection | 2,589,710 |
| 8A. Misc Rev Jul - Dec | 425,830 |
| 8B. Misc Rev Total | 5,500,766 |
| 9. TOTAL FUNDS | 16,086,349 |
| 10. NET AMT REQ | 6,339,760 |
| 11. Operating Balance | 0 |
| 12. TOTAL (10+11) | 6,339,760 |
| 13A. PTRC | 0 |
| 13B. LOIT | 0 |
| 14. NET AMT TO RAISE | 6,339,760 |
| 15. Levy Excess | 0 |
| 16. TAX LEVY | 6,339,760 |
| TAX RATE | 0.4699 |



FAQ: Property Tax Cap Comparison

- In the previous example the actual property tax cap was \$113,486 larger than the estimate used when preparing the budget.
- The operating balance was zero, which means that there is no surplus to help absorb this increase, which results in an unfunded certified budget.
- If the estimate is higher than actual, then the school has more funds than anticipated.





FAQ: Property Tax Cap Estimates

Do I have to use the Department's property tax cap estimates?

- No, you may use your own, but be careful!
- Every school should be reviewing the past few years of actual circuit breaker/tax cap losses when considering what estimate to use.
- If the estimated losses are lower than actuals, you could receive a certified budget that is not funded.



FAQ: Tax Cap Estimates - Example

Can you explain the importance of tax caps with an example?

- In this simplified scenario, property taxes are the only revenue.

| | 1) Tax Caps Excluded | 2) Tax Caps Included |
|----------------------------------|--------------------------|----------------------|
| Certified Levy | \$1,000,000 | \$1,000,000 |
| Est. Property Tax Cap Losses | \$0 | \$300,000 |
| Est. Property Tax Revenue | \$1,000,000 | \$700,000 |
| Adopted Budget | \$1,000,000 | \$700,000 |
| Certified Budget | \$1,000,000 | \$700,000 |
| Shortage | <u>-\$300,000</u> | <u>\$0</u> |

Example 1:

A \$1,000,000 budget is certified, but the unit will only have \$700,000 to spend.

Example 2:

The unit notices it will only have \$700,000 to spend and adjusts its budget accordingly.

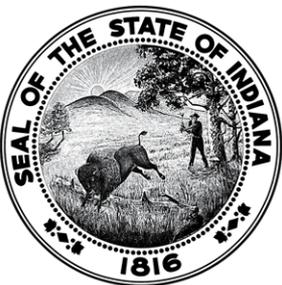


FAQ: Gross and Net Budgets

- What are “gross” and “net” budgets?

| Gross Budgets | Net Budgets |
|---|--|
| <p><u>Budget Displayed:</u> Desired budget increased by property tax caps</p> | <p><u>Budget Displayed:</u> Only what you’re seeking permission to spend. Does not include tax caps.</p> |
| <p><u>Applies to:</u> Form 1: Budget Estimate Form 4A: Form 1 Summary Form 4B: Financial Statement</p> | <p><u>Applies to:</u> Form 3: Notice to Taxpayers Form 4: Adoption</p> |

- The property tax cap is entered in a designated portion of Form 1 and Gateway will help make sure the correct amounts are pulled into the rest of the forms.



FAQ: Debt Operating Balance

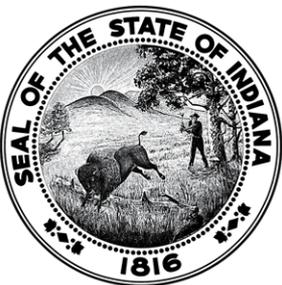
How is the maximum operating balance (Line 11) on the 1782 Notice calculated for debt funds?

- Debts originally incurred on or before June 30, 2014 are eligible for the lesser of:
 - Payment made in the first 6 months following the budget year.
 - 50% of the total payments being made in the 12 months following the budget year.
- Debts incurred after this date follow the same calculation, but are capped at 15% instead of 50%.



FAQ: Debt Operating Balance

- If a debt is refinanced, the original date of debt closing is used as the trigger for the June 30, 2014 indicator.
- Compare the Debt Worksheet on Gateway to the Debt Worksheet on your 1782 Notice to see how these amounts are calculated.
- Example: A lease rental with 250,000 payments
 - 2012 Lease = $(250,000 + 250,000) * 50\%$
 - 250,000 allowable operating balance.
 - 2016 Lease = $(250,000 + 250,000) * 15\%$
 - 75,000 allowable operating balance.



FAQ: December Settlement

How is the December Settlement (Line 7) calculated? (non-waiver schools)

- For debt service funds, this calculation does not take into account any circuit breaker loss (would only be the “Over 65 Credit”).
- In order to calculate this amount, take the current year certified levy and subtract out the June settlement.

Certified Levy Method

Certified Levy

- June Settlement

= Estimated December Settlement



FAQ: December Settlement

- For non debt funds (typically Operations) the estimate to be used is the lesser of the two calculations below.

Certified Levy Method

Certified Levy

- June Settlement

= Estimated December Settlement

Post Circuit Breaker Abstract Levy Method

Abstract Levy

- Total Circuit Breaker loss

- June Settlement

= Estimated December Settlement

- The levy and circuit breaker information can be found on the 2019 Circuit Breaker Reports that under the County Specific Information's Report section on our webpage available at: www.in.gov/dlgf/2339.htm.



FAQ: Documentation for Transfers

Do I need to provide the Department with resolutions for transfers between Education and Operations?

- If this is for a transfer in 2019, yes.
- If this is for an anticipated transfer that will happen in 2020, not yet.



FAQ: Submitting Plans to DLGF

Do the Capital Projects and Bus Replacement plans need to be submitted to the Department?

- Last year the plans were not collected, but House Enrolled Act 1021 - 2019 would require that the Capital Projects and Bus Replacement plans be submitted to the Department. More updates on HEA 1021 - 2019 will follow.



FAQ: Bus Replacement & Capital Projects

What do I submit to the Department for the Bus Replacement and Capital Projects plans?

- The resolutions used to adopt these plans.
- HEA 1021 would require the plans to be submitted.

What is not to be submitted to the Department?

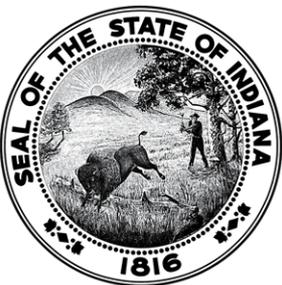
- Proof of publication for the public hearing.
- Notice of Adoption (no longer required).
- Auditor's Certificate of No Remonstrance for Capital Projects (no longer required).



FAQ: Amending Pay 2019 Plans

How are the Capital Project and Bus Replacement Plans amended?

- Amending Bus Replacement and Capital Project plans follow the same procedure as originally advertising and adopting the original plans.
- Upload the newly adopted resolution under “Submit Signed Form 4 and Other Documents” section of the 2020 Budget application.



FAQ: Transfer Comparison

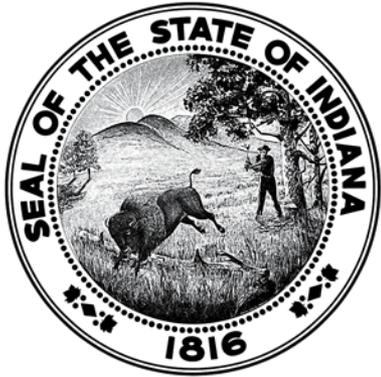
Our school is transferring a different amount than anticipated between funds for Pay 2019. What should I be aware of?

- It is important that each school district take the time to evaluate the estimated transfers between Operations and Education funds used when preparing 2019's budget.



FAQ: Transfer Comparison

- If a lesser amount is to be transferred to a fund, assess if the budget is still funded. All else equal, the operating balance on Line 11 of the Fund Report can be used as a cushion to help absorb a reduction in this revenue. This would decrease cash reserves.
- If more is to be transferred, ensure that the fund funding the transfer has an adequate operating balance to absorb the increase in the amount being transferred.



Understanding the Budget Forms

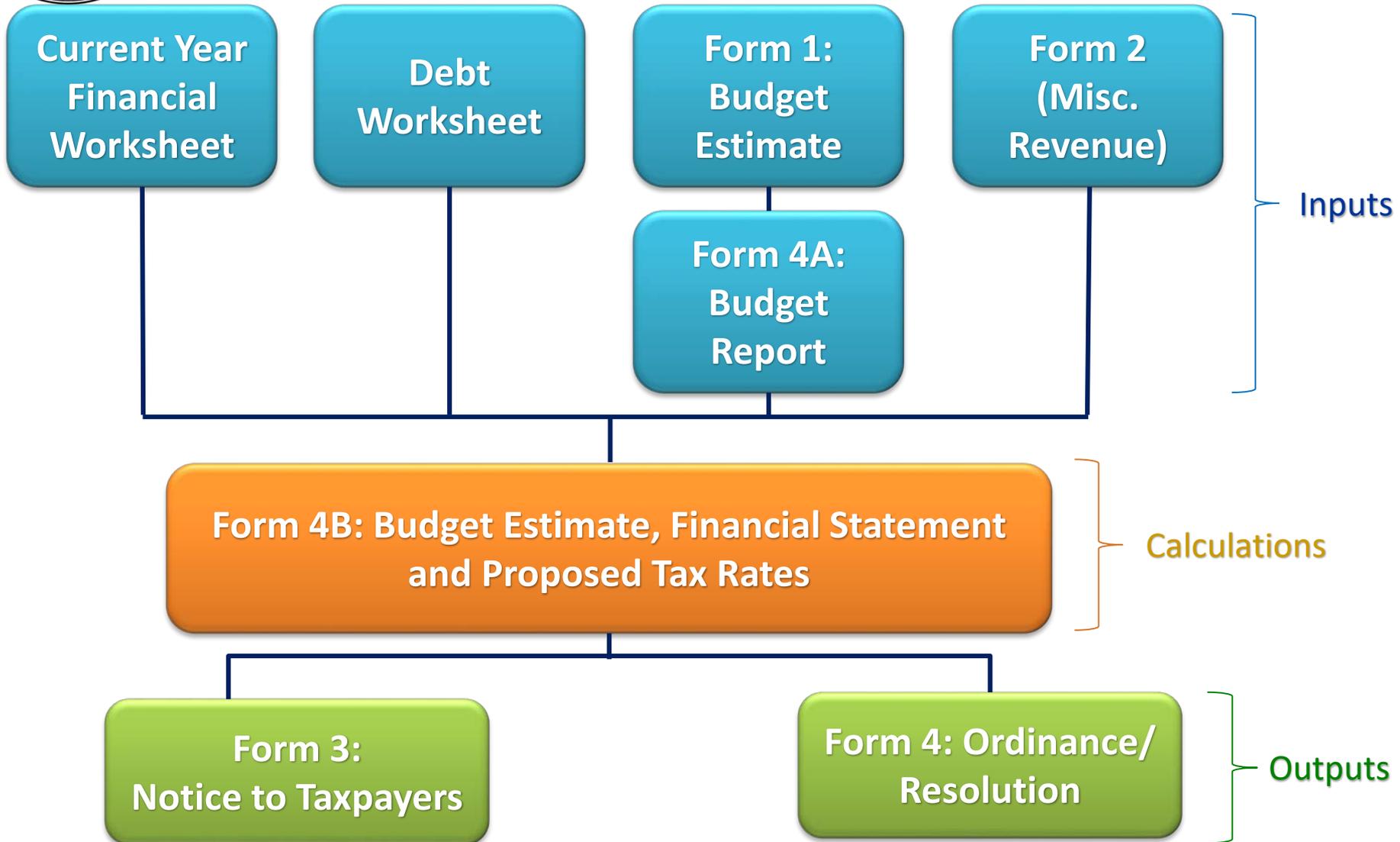


The Flow of Budget Forms

- This section will help you understand the purpose of the budget forms, the flow of data between them, and the proper order of completion.
 - The budget forms are designed to ease data entry and allow for data to be pulled to the other form by simply clicking a button.
- This is a very useful feature, but in order to use it to your full advantage, you will need to understand how information flows from one form to another.



Budget Forms – Flow Chart

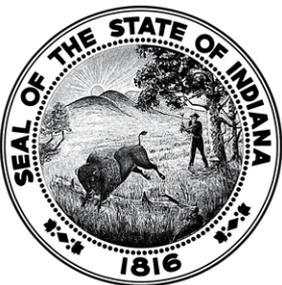




Current Year Financial Worksheet

- Historically known as the “Line 2 Worksheet”
- This is a snapshot of budget and financial standings as of June 30.
- This form needs to be completed for each fund.
- It calculates 6 “lines” of the Form 4B.

- The following lines apply to most funds:
 - **Line 2** - Budget left to spend in the last 6 months.
 - **Line 6** - June 30 cash balance.
 - **Line 7** - Property taxes to be received in the last 6 months.



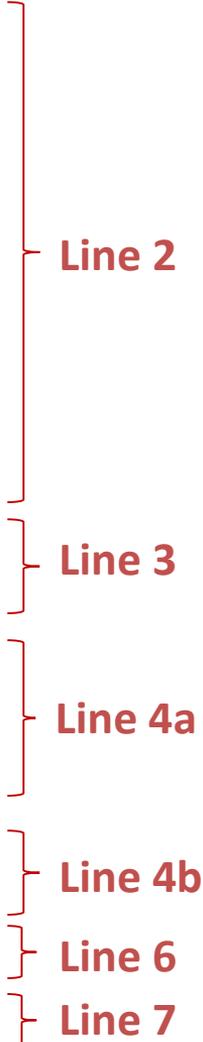
Current Year Financial Worksheet

Select Fund:

3300 - OPERATIONS

Calculates lines of the Form 4B

| | |
|---|--------------|
| Line 2 | |
| APPROPRIATIONS | |
| 1. Current Year Approved Budget | \$ 3,239,398 |
| 2. Encumbrances Brought Forward | \$ 62,299 |
| 3. Changes to Appropriations: | |
| a) Additional Appropriations (January to June) | \$ 0 |
| b) Reductions January through June | \$ 0 |
| 4. Other Non-Appropriated Obligations | \$ 0 |
| 5. Total Approved Appropriations | \$ 3,301,697 |
| DISBURSEMENTS | |
| 6. January through June Current Year Disbursements | \$ 1,451,410 |
| 7. Appropriation Balance | \$ 1,850,287 |
| 8. Reductions July through December | \$ 0 |
| 9. Estimated Current Year Expenditures July through December | \$ 1,850,287 |
| Line 3 | |
| 10. Proposed/Approved Additional Appropriations for July through Dec. of Current Year | \$ 0 |
| Line 4A | |
| 11. Levy excess not transferred prior to June 30 | \$ 0 |
| 12. Temporary Loans outstanding as of June 30 | \$ 0 |
| What fund loaned the cash on Line 12? | |
| 13. Temporary loans not included in Lines 2 or 3 | \$ 0 |
| Line 4B | |
| 14. Temp loans to be repaid in the first six months of ensuing year | \$ 0 |
| What fund loaned the cash on Line 14? | |
| Line 6 | |
| 15. June 30 Cash Balance, including investments | \$ 1376872 |
| Line 7 | |
| 16. Taxes to be collected, present year (December settlement) | \$ 677417 |





Debt Worksheet

- New debts must be closed by December 31 of the current year to receive a property tax levy for the ensuing year.
- Debt Worksheet captures the payments needing to be made in a 2.5 year period across 4 sections.
 - Line 2: Last 6 months of 2019.
 - Line 1: All 12 months of 2020.
 - Line 11A: First 6 months of 2021.
 - Line 11B: Second 6 months of 2021.



Debt Worksheet

DEBT WORKSHEET

Selected Year: 2020

Selected County: Sample County

Selected Unit: Sample School Corporation

Select Fund: 0180 - Debt Service

0180 - DEBT SERVICE

(This form is to be prepared for each debt service fund that requires either a tax rate or an appropriation. Debt service funds designated by an "8" in the third digit of the fund code.)

| Name of Issue | Line 2 Due | Line 2 Amount | Line 1 Due | Line 1 Amount | Line 11A Due | Line 11A Amount | Line 11B Due | Line 11B Amount |
|--|------------|---------------|------------|---------------|--------------|-----------------|--------------|-----------------|
| Taxable First Mortgage Refunding Bonds Series 2013 | 01/15/2020 | \$ 2,856,500 | 01/15/2021 | \$ 5,716,000 | 07/15/2021 | \$ 2,858,000 | 01/15/2022 | \$ 2,858,000 |

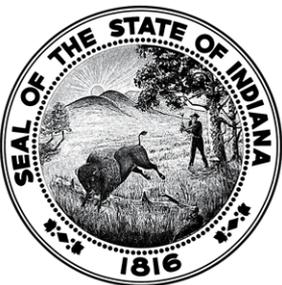


This form allows you to tell us when you make your debt payments for four different time periods.



Budget Form 1 – Next Year's Budget

- Budget Form 1 – Line Item Budget Estimate
 - Form 1 breaks down budgeted "line items" by fund and expense category.
 - Each fund has its own Form 1.
 - Funds are further broken down by program accounts and each program account will have a separate Form 1.
 - Amounts are separated into Advertised and Adopted columns.
 - Form 1 data will be pulled into Form 4A.



Budget Form 1 – Next Year's Budget

BUDGET ESTIMATE FOR

Select Fund:

3300 - OPERATIONS

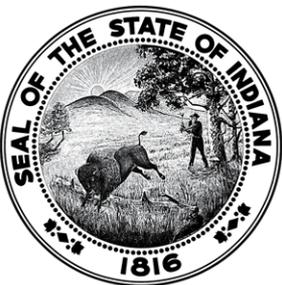
Select Department:

2500 Central Office

Broken down by fund and program account

Further broken down by expenditure category

| | | Personal Services | Supplies | Services And Charges | Capital Outlays | Debt Service | Property Tax Cap | |
|-------------------------------|----------------|--------------------|----------|----------------------|-----------------------------|-----------------------------|------------------|------------|
| Sub-Category | Line Item Code | Description | | | Advertised Amount | Adopted Amount | | |
| Salaries and Wages | 25100 | Fiscal Srvcs | | | \$ 506,889 | \$ 506,889 | | Line items |
| Employee Benefits | 25100 | Fiscal Srvcs Dept. | | | \$ 149,591 | \$ 149,591 | | |
| Salaries and Wages | 25710 | Personnel Srvcs | | | \$ 498,705 | \$ 498,705 | | |
| Employee Benefits | 25710 | Personnel Srvcs | | | \$ 151,313 | \$ 151,313 | | |
| TOTALS BY CATEGORY | | | | | <i>Total: \$ 1,306,498</i> | <i>Total: \$ 1,306,498</i> | | |
| TOTALS BY DEPT BY FUND | | | | | <i>Total: \$ 1,617,075</i> | <i>Total: \$ 1,617,075</i> | | |
| TOTALS BY FUND | | | | | <i>Total: \$ 21,662,901</i> | <i>Total: \$ 21,662,901</i> | | |
| TOTALS BY UNIT | | | | | <i>Total: \$ 94,349,888</i> | <i>Total: \$ 94,349,888</i> | | |



Accounting for Property Tax Caps

Property tax cap estimates are released by the Department in late July. You may also use your own, but be careful!

1. Enter in the “Property Tax Cap” estimate in its expenditure category tab of Form 1 for all non-debt funds with a levy.

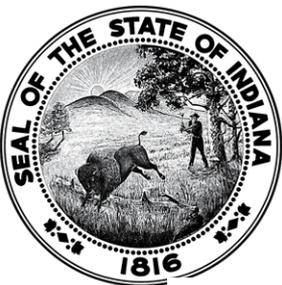
| Personal Services | Supplies | Services And Charges | Capital Outlays | Debt Service | Property Tax Cap |
|-------------------------|----------------------|----------------------|-------------------|--------------|------------------|
| Sub-Category | Line Item Code | Description | Advertised Amount | | Adopted Amount |
| Property Tax Cap Impact | <input type="text"/> | Property Tax Cap Imp | \$ 10,000 | | \$ 10,000 |

2. Carry forward “gross” budgets into Form 4A and 4B.
3. The bottom of Form 4B will display the total Property Tax Cap amount carried from Form 4A.
4. Only the “net” budget is pulled into Form 3: Notice to Taxpayers or Form 4: Adoption Resolution.



Budget Form 4A

- Budget Form 4A – Summary of Form 1.
 - Lists a fund's budget summarized by expenditure category.
 - It also breaks down amounts by program accounts as well.
 - Two columns:
 - Original advertised budget
 - Adopted budget
 - Click the “Insert” button to pull data from Form 1.



Budget Form 4A – Summary of Form 1

Budget Report

Select Fund:

3300 - OPERATIONS

Select Department:

2500 Central Office

Click to Insert All Unit Amounts From Form 1



Click to insert all Form 1 Data

DEPARTMENT: 2500 Central Office

| | Advertised Amount | | Adopted Amount | |
|----------------------------|-------------------|-------------------|----------------|-------------------|
| PERSONAL SERVICES | \$ | 1,617,075 | \$ | 1,617,075 |
| SUPPLIES | \$ | 251,131 | \$ | 251,131 |
| OTHER SERVICES AND CHARGES | \$ | 8,101,231 | \$ | 8,101,231 |
| CAPITAL OUTLAY | \$ | 3,451,561 | \$ | 3,451,561 |
| DEBT SERVICE | \$ | 500,000 | \$ | 500,000 |
| PROPERTY TAX CAP | \$ | 0 | \$ | 0 |
| TOTAL | \$ | 13,920,998 | \$ | 13,920,998 |

Totals by Fund

Advertised Amount Total: \$ 13,920,998

Adopted Amount Total: \$ 13,920,998

Totals by Unit

Advertised Amount Total: \$ 13,920,998

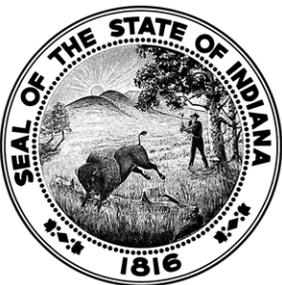
Adopted Amount Total: \$ 13,920,998

Summary of Form 1 line items by category



Budget Form 2 – Revenue Estimates

- Budget Form 2 – Estimate of Miscellaneous Revenue
 - Accounts for revenue other than property taxes, for each fund.
 - The first column is for revenue to be received during the last 6 months of 2019 and the total should be pulled into Line 8A of Form 4B.
 - The second column is for revenue to be received during the 12 months of 2020 and the total should be pulled into Line 8B of Form 4B.



Budget Form 2 – Revenue Estimates

Broken down by fund



Select Fund:

3300 - OPERATIONS

Two separate time periods



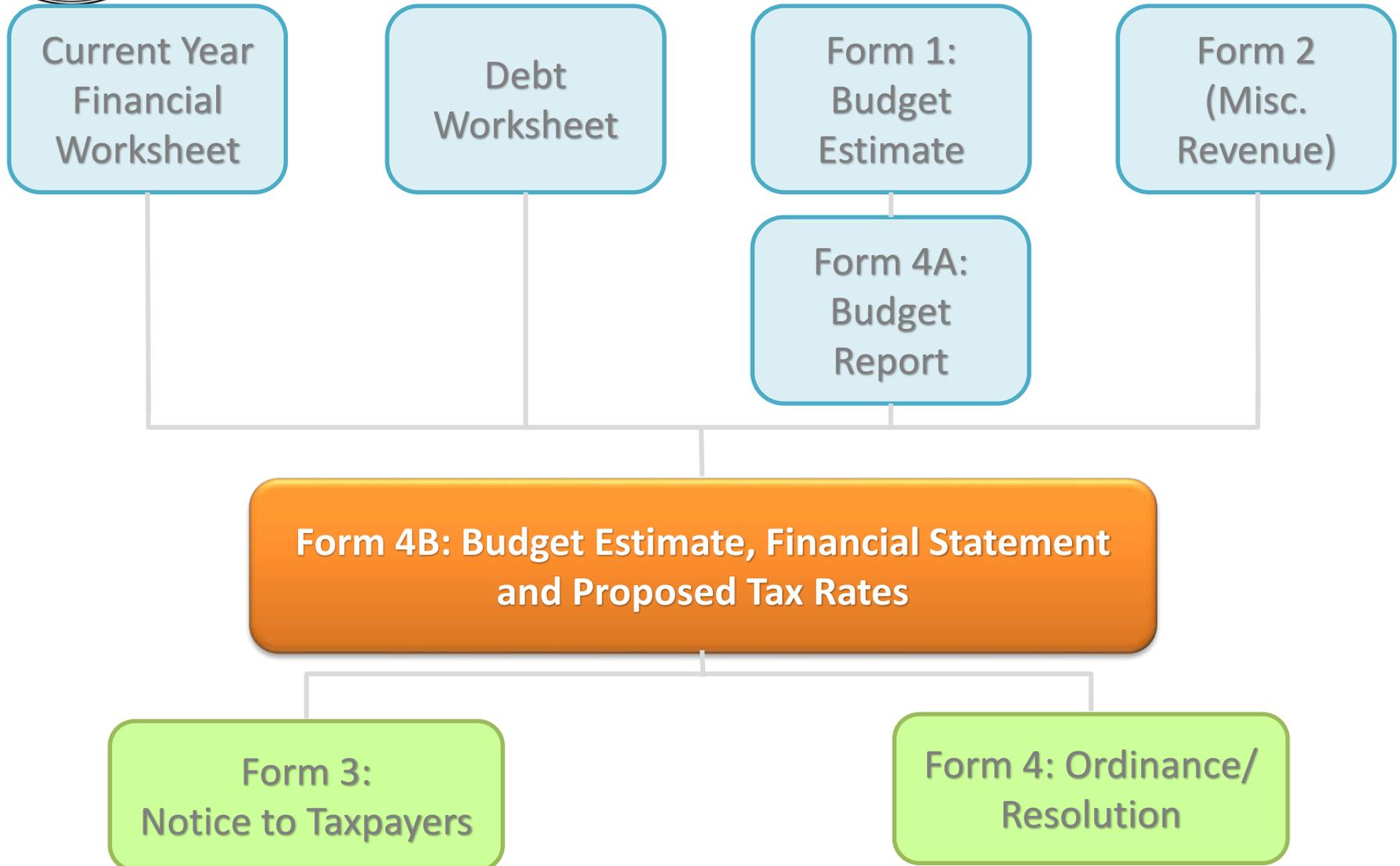
Organized by category

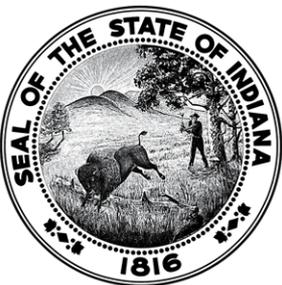


| | | Taxes | Intergovernmental Revenue | Other Receipts | | |
|---------------------------|--------------------------------------|-----------------------------|-----------------------------|----------------|--|--|
| Revenue Code | Description | July 1 to Dec 31, 2018 | Jan 1 to Dec 31, 2019 | | | |
| 1130 | Local Income Tax School Distribution | \$ 1,200,000 | \$ 2,050,191 | | | |
| 1211 | License Excise Tax | \$ 474,000 | \$ 1,040,000 | | | |
| 1212 | Commercial Vehicle Excise Tax | \$ 23,000 | \$ 61,300 | | | |
| 1231 | Financial Institutions Tax | \$ 36,000 | \$ 84,400 | | | |
| TOTALS BY CATEGORY | | <i>Total:</i> \$ 1,733,000 | <i>Total:</i> \$ 3,235,891 | | | |
| TOTALS BY FUND | | <i>Total:</i> \$ 1,733,000 | <i>Total:</i> \$ 11,255,891 | | | |
| TOTALS BY UNIT | | <i>Total:</i> \$ 42,242,239 | <i>Total:</i> \$ 92,081,969 | | | |



Budget Forms – Calculation





Form 4B – Financial Statement

- Also known as the “Fund Report” or the “16 Line Statement”.
- Shows financial snapshot for an 18-month period.
- Form 4B is divided into two columns:

Advertised

- Reflects budget, rate, and levy as prepared by the fiscal officer.

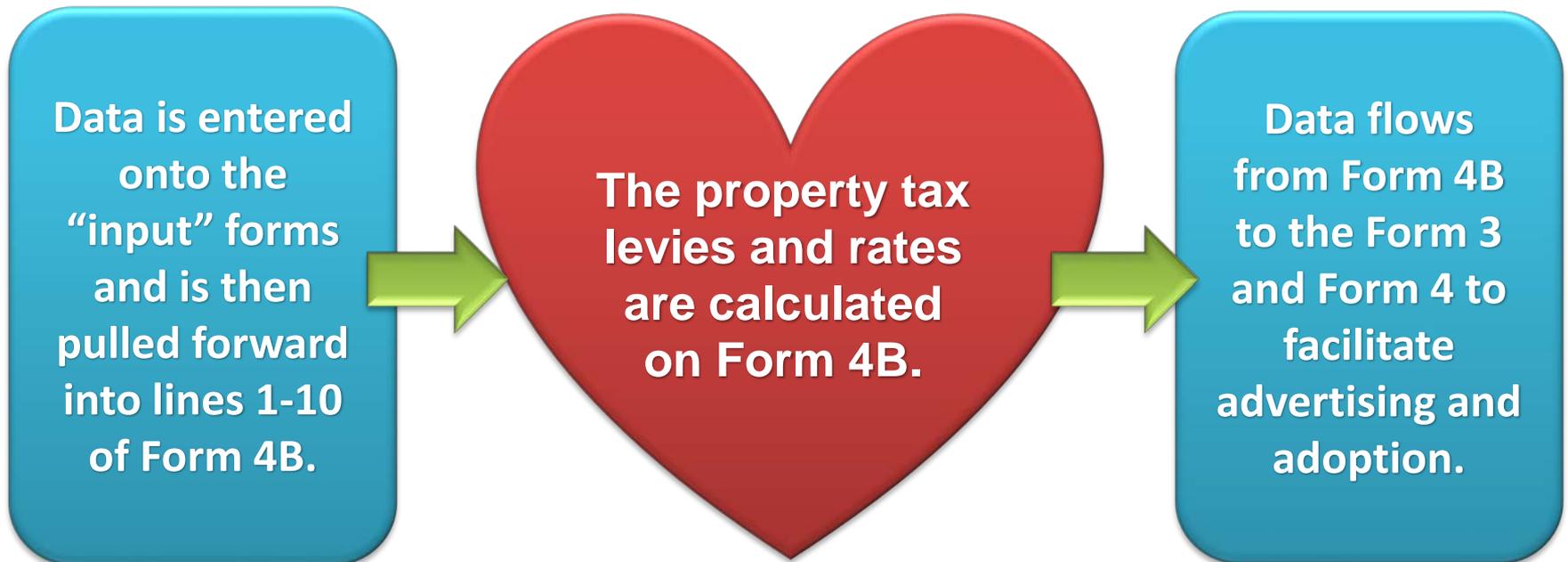
Adopted

- Reflects budget, rate, and levy as approved by the fiscal body.



Form 4B – Financial Statement

- The Form 4B is the heart of the budgeting process.

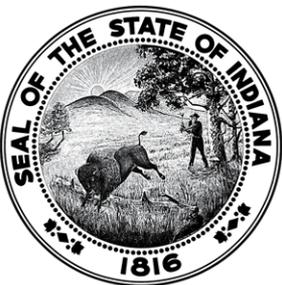


- Understanding the data on Form 4B allows you to better comprehend the financial status of any fund.



Understanding the Form 4B

| Lines | Name | Summary |
|---------|---------------------------|---|
| 1-5 | Expenses Section | Total expenses for the last half of 2019 and all of 2020 |
| 6-9 | Revenue Section | Total revenues for the same 18 month period <ul style="list-style-type: none">• Except for the 2020 certified levy |
| 10 | Net Amount Required | The minimum amount of property taxes needed to fully fund the 2020 budget <ul style="list-style-type: none">• A negative amount shows it's funded without a levy |
| 11 | Operating Balance | Surplus funds remaining at the end of 2020 <ul style="list-style-type: none">• Amount to be carried over to January 2021 to help fund operations until June property taxes are received• A negative amount shows the budget isn't funded |
| 16 | Property Tax Levy | The calculated levy to be pulled into Form 3 and 4 |
| 17 | Property Tax Rate | The calculated rate to be pulled into Form 4 |
| Tax Cap | Property Tax Cap Estimate | The property tax cap estimate carried over from Form 4A <ul style="list-style-type: none">• The "gross" budget shown on Line 1 will be reduced by this amount when pulled into Form 3 or 4. |



Budget Form 4B

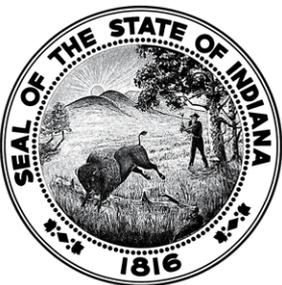
Net Assessed Value

Net Assessed Value \$ 175,000,000

Expenses

Revenues

| Funds Required For Expenses To December 31st Of Incoming Year | | | Published Amount | Adopted Amount |
|---|--|--------------|------------------|----------------|
| 1. Total budget estimate for incoming year | | \$ 3,492,334 | | \$ 0 |
| 2. Necessary expenditures, July 1 to December 31 of present year, to be made from appropriation unexpended | | \$ 2,081,641 | | \$ 0 |
| 3. Additional appropriation necessary to be made July 1 to December 31 of present year | | \$ 0 | | \$ 0 |
| 4. Outstanding temporary loans: | | \$ 0 | | \$ 0 |
| a). To be paid not included in lines 2 or 3 | | \$ 0 | | \$ 0 |
| b). Not repaid by December 31 of present year | | \$ 0 | | \$ 0 |
| 5. TOTAL FUNDS required (add lines 1,2,3,4a and 4b) | | \$ 5,573,975 | | \$ 0 |
| Funds On Hand To Be Received From Sources Other Than Proposed Tax Levy | | | Published Amount | Adopted Amount |
| 6. Actual cash balance, June 30 of present year (including cash investments) | | \$ 1,924,370 | | \$ 0 |
| 7. Taxes to be collected, present year (December settlement) | | \$ 716,446 | | \$ 0 |
| 8. Miscellaneous revenue to be received July 1 of present year to December 31 of incoming year(Schedule on File): | | \$ 632,255 | | \$ 0 |
| a). Total Column A Budget Form 2 | | | | |
| b). Total Column B Budget Form 2 | | \$ 983,104 | | \$ 0 |
| 9. TOTAL FUNDS (Add lines 6, 7, 8a and 8b) | | \$ 4,256,175 | | \$ 0 |
| 10. Net amount to be raised for expenses to December 31 of incoming year (deduct line 9 from 5) | | \$ 1,317,800 | | \$ 0 |



Budget Form 4B

Calculates
Tax levy
and rate

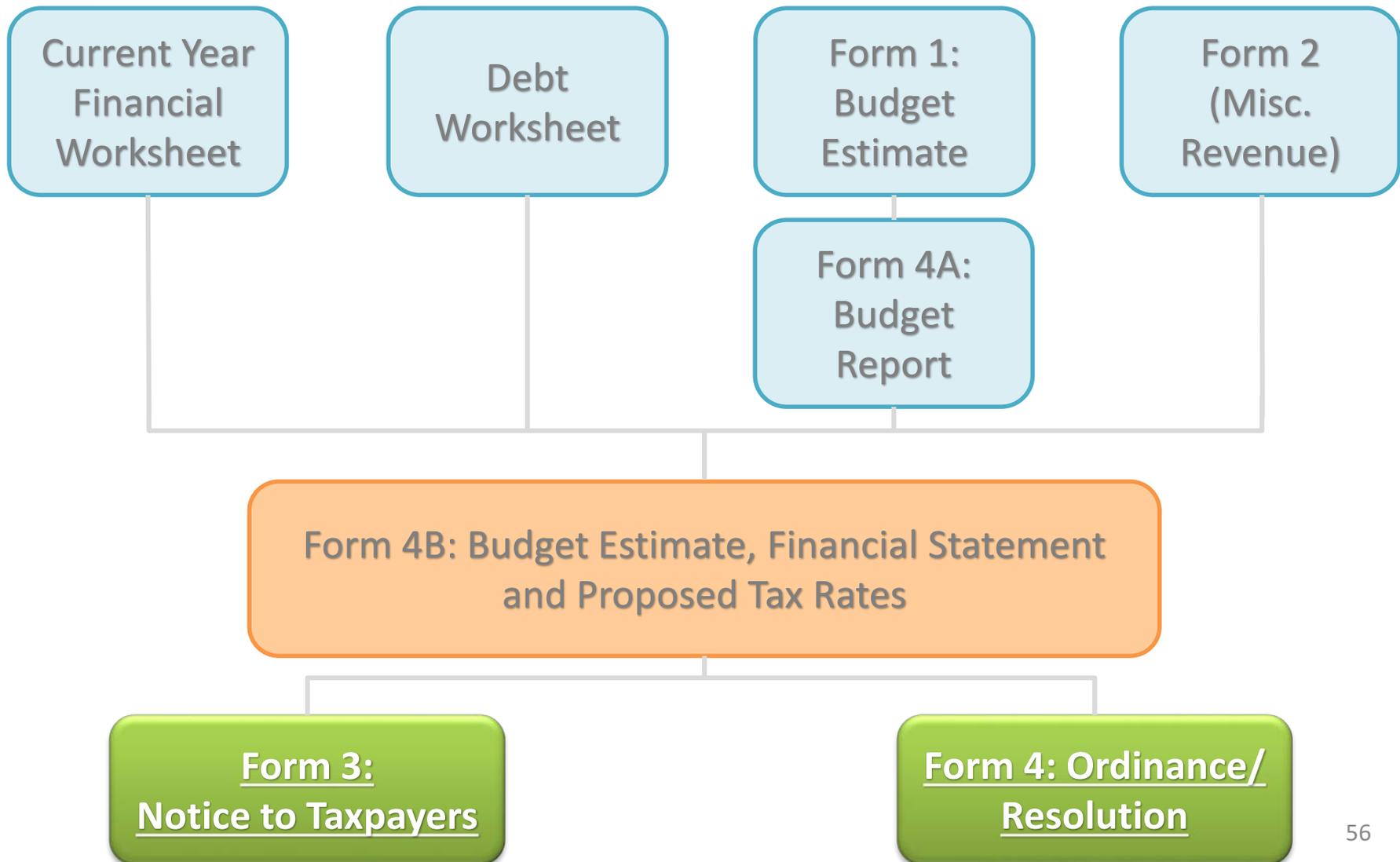
Property
Tax Cap
from
Form 4A

| Proposed Tax Rate and Levy | Published Amount | Adopted Amount |
|--|------------------|----------------|
| 11. Operating balance (not in excess of expense January 1 to June 30, less miscellaneous revenue for same period) ⓘ <small>NOTE: Enter Lines 13a, 13b and 16 then press 'Save' button to calculate this value.</small> | \$ 250,000 | \$ 0 |
| 12. Amount to be raised by tax levy (add lines 10 and 11) ⓘ | \$ 1,567,800 | \$ 0 |
| 13a. Property Tax Replacement Credit from Local Option Tax ⓘ | \$ [REDACTED] | \$ [REDACTED] |
| 13b. Operating LOIT ⓘ | \$ [REDACTED] | \$ [REDACTED] |
| 14. NET AMOUNT TO BE RAISED BY TAX LEVY (deduct line 13a and 13b from line 12) ⓘ | \$ 1,567,800 | \$ 0 |
| 15. Levy Excess Fund applied to current budget ⓘ | \$ 0 | \$ 0 |
| 16. Net amount to be raised ⓘ | \$ 1,567,800 | \$ 0 |
| 17. Net Tax Rate on each one hundred dollars of taxable property ⓘ | 0.8959 | 0.0000 |

| | Advertised Amount | Adopted Amount |
|----------------------------|-------------------|----------------|
| Property Tax Cap Credits ⓘ | \$ 92,130 | \$ 0 |



Budget Forms – Outputs





Form 3: Notice to Taxpayers

- Budget Form 3 – Notice to Taxpayers
 - This form is the official online advertisement that presents to taxpayers information regarding the public hearing, adoption meeting, along with the proposed budgets and property tax levies by fund.
 - It is important to remember:
 - You formally advertise your budget online by submitting Form 3 in Gateway at least 10 days before the public hearing.
 - There must be at least 10 days between public hearing and adoption.
 - The latest day to adopt is November 1.



Form 3 – Notice to Taxpayers

- Upon submission of the Notice to Taxpayers, the Notice is immediately made available on <http://BudgetNotices.in.gov>.
- Taxpayers can search for budget notices by address or by county.
- Taxpayers can subscribe to receive automatic notifications as notices are submitted for desired units.



Budget Form 4 – Adoption

- The Form 4: Adoption Ordinance/Resolution is used by the adopting body to formally adopt the ensuing year's figures.
 - Fiscal body adopts the Form 4, approving budgets, tax levies, and tax rates.
 - Budgets, tax levies, and tax rates for all funds must be listed.
 - The “net” budgets (without the added property tax cap amounts) are what will be adopted.



Budget Form 4 – Adoption

ORDINANCE OR RESOLUTION FOR APPROPRIATIONS AND TAX RATES

Be it ordained / resolved by the Board Of School Trustees that for the expenses of _____ Schools for the year ending December 31, 2019 the sums herein specified are hereby appropriated and ordered set apart out of the several funds herein named and for the purposes herein specified, subject to the laws governing the same. Such sums herein appropriated shall be held to include all expenditures authorized to be made during the year, unless otherwise expressly stipulated and provided for by law. In addition, for the purposes of raising revenue to meet the necessary expenses of _____ Schools, the property tax levies and property tax rates as herein specified are included herein. Budget Form 4-B for all funds must be completed and submitted in the manner prescribed by the Department of Local Government Finance.

This ordinance/resolution shall be in full force and effect from and after its passage and approval by the School Board.

| Name of Adopting / Fiscal Body | Type of Adopting / Fiscal Body | Date of Adoption |
|---------------------------------|--------------------------------|-------------------|
| <u>Board of School Trustees</u> | <u>School Board</u> | <u>10/22/2018</u> |

| Fund Code | Fund Name | Adopted Budget | Adopted Tax Levy | Adopted Tax Rate |
|-----------|---------------------|----------------------------|---------------------------|----------------------|
| 0180 | DEBT SERVICE | \$652,682 | \$649,887 | 0.3249 |
| 0186 | SCHOOL PENSION DEBT | \$154,386 | \$136,027 | 0.0680 |
| 3101 | EDUCATION | \$10,165,300 | \$0 | 0.0000 |
| 3300 | OPERATIONS | \$3,314,700 | \$2,544,401 | 1.2722 |
| | | Total: \$14,687,068 | Total: \$3,330,315 | Total: 1.6651 |

| Name | | Signature |
|----------------|---|-----------------------|
| Landon Burke | Aye <input checked="" type="checkbox"/> Nay <input type="checkbox"/> Abstain <input type="checkbox"/> | <u>Landon Burke</u> |
| Leia Sophia | Aye <input checked="" type="checkbox"/> Nay <input type="checkbox"/> Abstain <input type="checkbox"/> | <u>Leia Sophia</u> |
| Hannah Johnson | Aye <input checked="" type="checkbox"/> Nay <input type="checkbox"/> Abstain <input type="checkbox"/> | <u>Hannah Johnson</u> |
| | Aye Nay Abstain | |



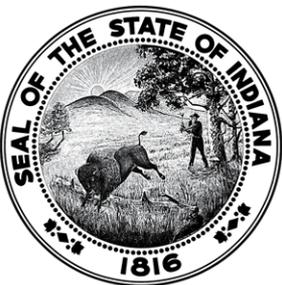
1782 Notice Recipients

1782 Notice Recipients

Use this form to register any recipients of this unit's 1782 notice e-mail.

| Contact Name | Contact Email | Phone Number (Optional) | Action |
|---|---|---|---|
| Steve McQueen | SMcQueen@email.com | (555) 123-4567 | Edit --- Delete |
| <input type="text" value="Leia Burke"/> | <input type="text" value="LBurke@email.com"/> | <input type="text" value="(555) 765-5321"/> | Add |

- After the Department reviews your budget, a 1782 Notice is emailed to everyone on this form.
- The 1782 Notice contains the budgets, levies, and rates that would be certified if no changes are requested.
- You will have 10 days to respond with any requested changes.
- Last year's entered recipients will be carried over. Please carefully review and update as needed. The Department recommends adding multiple recipients to this form.



Submitting Budget Forms

Current Year Financial Worksheet: Additional Calculations for Form 4B 

 [Click to edit form](#)

 [Click to submit completed form to DLGF](#)



Click to Submit

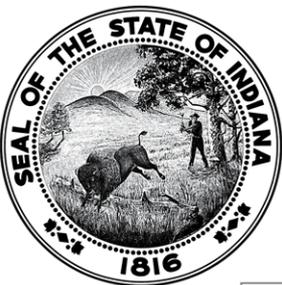
Current Year Financial Worksheet: Additional Calculations for Form 4B 

 [Click to view form](#)

 This form has been submitted.

Submitted on 2/28/2018 2:59:02 PM

- On the Budget Form Menu, select the form and then click the green submit button to submit.
- The Department expects all forms to be submitted within 48 hours of adoption.



Budget Forms – Submitted



[Error Prevention Report](#)



[Budget Forms Flow Chart](#)

Current Year Financial Worksheet: Additional Calculations for Form 4B



[Click to view form](#)



This form has been submitted.

Submitted on 10/11/2017 11:30:57 AM

Debt Worksheet

Form 1: Budget Estimate

Form 2: Estimate of Miscellaneous Revenues

Form 3: Notice to Taxpayers

Form 4: Ordinance / Resolution of Appropriations and Tax Rates

Form 4A: Budget Report

Form 4B: Budget Estimate, Financial Statement and Proposed Tax Rate

1782 Recipients: Registration of 1782 Notice E-mail Recipients



Understanding the Error Prevention Report



Error Prevention Report

- Gateway's Budget Application is designed to allow you to enter information once and pull it through the forms by clicking a few buttons.
- This makes data entry into the forms much easier, however, not understanding how the data flows between the forms can create some errors.
- The Department created the Error Prevention Report to compare the data entered to help to ensure consistency across all forms.



Error Prevention Report

- A large majority of the possible errors arise from the same field not matching across the forms. Here are some examples of what it compares:
 - Budgets across Forms 1, 4A, 4B and 3 (Form 4 is automatically populated by Form 4B).
 - Property tax caps across Forms 1, 4A, 4B.
 - Revenues between Forms 2 and 4B.
 - “Line 2” Expenditures between the Current Year Financial Worksheet, Form 4B and Debt Worksheet.



Error Prevention Report

- This is particularly helpful with making sure property tax caps are entered correctly throughout Forms 1, 4A, 4B, and 3.
- It's important to keep in mind that a typo entered consistently across all the forms will likely not be caught so it is still important to verify the data entered.
- This report is located above the Budget Form Menu.

Select from Available Forms



[Error Prevention Report](#)



[Budget Forms Flow Chart](#)

Current Year Financial Worksheet: Additional Calculations for Form 4B





Error Prevention Report

- Each error will be listed along with a detailed explanation.
- A side by side comparison of the amounts is available by clicking the button to the right of the error.

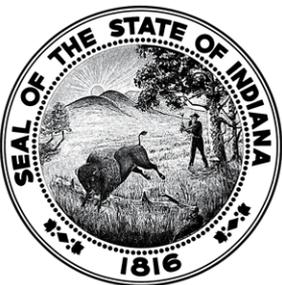
Error Prevention Report

Please take the time to address the following issues as they frequently indicate errors. Once an issue is corrected, it will be removed from the list. **This tool will not find all possible mistakes, but is designed to catch the most common ones.** For assistance resolving these issues, please contact the DLGF at gateway@dlgf.in.gov or 317-232-3777.

Some errors will appear if the forms are not yet complete.

Click to view
the affected
fund(s)

| Form / Error # | Error | Details | Funds Affected |
|----------------|--|---|------------------------------------|
| CYFW / 29 | Line 16 does not equal Line 7, published column, Form 4B. | Line 16 "Taxes to be collected, present year (December settlement)" on the Current Year Financial Worksheet does not equal Line 7 "Taxes to be collected, present year (December settlement)" on the published column of the Form 4B. Please check the following funds. | 1 fund(s) affected |
| F2 / 9 | Col. A fund total does not equal Line 8a, published column, Form 4B. | Revenues July 1 - December 31, 2013 reported in Column A of the Form 2 do not equal Line 8a in the published column of the Form 4B. Please check the following funds. | 1 fund(s) affected |
| F2 / 11 | Col. B fund total does not equal Line 8b, published column, Form 4B. | Revenues January 1 - December 31, 2014 reported in Column B of the Form 2 do not equal Line 8b in the published column of the Form 4B. Please check the following funds. | 1 fund(s) affected |



Error Prevention Report

Error Prevention Report

Please take t removed from as

Funds with Errors:
0101: GENERAL | CYFW Line 9: 1850287 | Form4B Published: 1896260

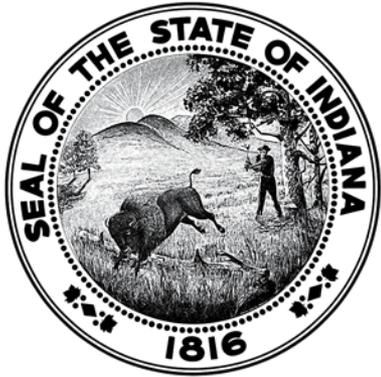
Done

Some errors will appear if the forms are not yet complete.

Run Error Audit

| n / r # | Error | Details | Funds Affected |
|---------|-------|---------|----------------|
|---------|-------|---------|----------------|

- Please be sure to check for errors before:
 - Advertising. (Submitting Form 3)
 - Adoption. (Printing Form 4)
 - Submitting the budget forms.



Resources



Resources: Historical Budgets in Gateway

- In many of the Gateway applications, you can view a previous year's forms by changing the year from the drop down menu.

Select Unit from List

Currently Viewing Year: 2020



Click a link below to select

- 2020
- 2019
- 2018
- 2017
- 2016
- 2015
- 2014
- 2013
- 2012

| Unit Code | Unit Name Link | Unit Type | Unit County |
|-----------|------------------------------|-----------|-------------|
| 0000 | Boone County | County | Boone |



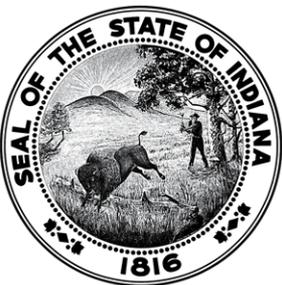
Resources: DLGF Issued Reports

- The County Specific Information page on the Department's website is where you can find the following information:
 - Budget Orders
 - Maximum levy estimates
 - Property Tax Cap estimates
 - Local Income Tax estimates
 - Miscellaneous revenue estimates
- This page can be accessed by going to www.in.gov/dlgf, selecting "[County Specific Information](#)" and choosing your county.



Resources: Memos & Presentations

- This section of the website is where the following memos and more are posted:
 - Additional Appropriation and Transfers
 - Excess Levy Appeals
 - Various DLGF presentations
- This page can be accessed by going to www.in.gov/dlgf and selecting “[Memos and Presentations](#)”.



Resources

- User Guides



- Information Icons 

-  Training Videos

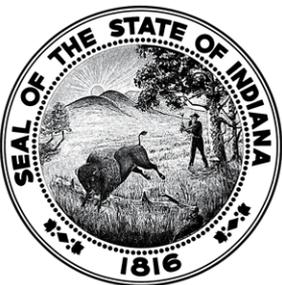
- www.youtube.com/user/DLGFgateway

- DLGF Memos (Budget Calendar and more!)

- www.in.gov/dlgf/2444

- Email

- Call



Contact the Department

- Gateway Support: gateway@dlgf.in.gov
- Telephone: (317) 232-3777
- Toll Free: (888) 739-9826
- Additional Appropriation email:
 - AdditionalAppropriationRequests@dlgf.in.gov
- Website: www.in.gov/dlgf
 - “Contact Us”: www.in.gov/dlgf/2338.htm
- Budget Field Representative Map:
[http://www.in.gov/dlgf/files/Field_Rep_Map -
_Budget.pdf](http://www.in.gov/dlgf/files/Field_Rep_Map_-_Budget.pdf)



Questions?