



Department of Local Government Finance

Additional Appropriation Application

Fred Van Dorp
Budget Division Director
February 2020



Agenda

- Definitions:
 - What is an appropriation?
 - What is an additional appropriation?
- Overview of Current Additional Appropriation Procedures.
- Overview of NEW Additional Appropriation Procedures.
- Frequently Asked Questions. (“FAQs”)



Definitions

- An appropriation represents the certified spending authority for a fund for the year. Your appropriation is often referred to as your budget.
- With few specific exceptions, nearly all funds must have an appropriation.
- Your appropriations can be found either Department's Certified Budget Order or on the Form 4.



Definitions

	<u>Fund</u>	<u>Certified Budget</u>	<u>Certified AV</u>	<u>Certified Levy</u>	<u>Certified Rate</u>
0101	GENERAL	\$18,405	\$67,360,355	\$11,721	\$0.0174
	Budget approved for displayed amount. Rate reduced due to increased assessed valuation.				
0840	TWP ASSISTANCE	\$15,500	\$67,360,355	\$0	\$0.0000
	Budget approved for displayed amount.				
1111	FIRE	\$16,050	\$67,360,355	\$18,457	\$0.0274
	Budget approved for displayed amount. Rate reduced due to increased assessed valuation.				
			Unit Total:	\$30,178	\$0.0448

This unit has a certified appropriation of \$18,405 in its general fund. This amount represents the approved spending authority for the year based on the unit's cash reserves, miscellaneous revenue, levy, and advertised and adopted budgets.

This amount does not represent all money in this fund. The general fund *may have* unappropriated dollars in the fund.



Definitions

- The appropriation represents a unit's and specific fund's spending authority for the budget year.
- The appropriation is calculated and certified using all of the following:
 1. Advertised budget (Form 3)
 2. Cash reserves (CYFW)
 3. Miscellaneous revenue (Form 2)
 4. Current year levy (Form 4B)
 5. Adopted budgets (Form 4)



Definitions

	Example 1	Example 2	Example 3
Advertised Budget (Form 3)	\$100	\$750	\$1,000
Cash Reserves (CYFW)	\$350	\$0	\$400
Miscellaneous Revenue (Form 2)	\$0	\$750	\$500
Property Tax Levy (Form 4B)	\$0	\$0	\$100
Adopted Budget (Form 4)	\$100	\$500	\$1,000

- The advertised budget represented the maximum appropriation that can be certified by the Department.
- The Cash Reserves, Miscellaneous Revenue, and Property tax levy are summed together and represent how the unit proposes to fund that appropriation.
- The adopted budget is additional level of control in the certification. The adopting body may adopt a budget up to the advertised amount.



Definitions

	Example 1	Example 2	Example 3
Advertised Budget (Form 3)	\$100	\$750	\$1,000
Cash Reserves (CYFW)	\$350	\$0	\$400
Miscellaneous Revenue (Form 2)	\$0	\$750	\$500
Property Tax Levy (Form 4B)	\$0	\$0	\$100
Adopted Budget (Form 4)	\$100	\$500	\$1,000

Example 1:

The Department can certify an appropriation of \$100. There will be \$250 of unappropriated funds.

Example 2:

The Department can certify an appropriation of \$500. There will be \$250 of unappropriated funds.

Example 3:

The Department can certify an appropriation of \$1000. There will be \$0 of unappropriated funds.



Definitions

An additional appropriation (“AA”) is a formal process (IC 6-1.1-18-5) that is used to appropriate money in excess of the certified appropriation for the current budget year.

There were 1,572 AAs submitted for 3,193 funds in 2019. On average, the Department receives 4.3 AA petitions per day.



Definitions

Appropriations are certified and additional appropriation are approved by the Department, but spending enforcement is handled by State Board of Accounts.

IC 6-1.1-18-4

Appropriations not to exceed budget

Except as otherwise provided in this chapter, the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article.

IC 6-1.1-18-10

Excessive appropriations; liability of officers; action for recovery

(a) If the proper officers of a political subdivision make an appropriation for an item which exceeds the amount which they are permitted to appropriate under this chapter, they are guilty of malfeasance in office and are liable to the political subdivision in an amount equal to the sum of one hundred and twenty-five percent (125%) of the excess so appropriated and court cost.



Overview of Current AA Procedures



Current Procedures

- IC 6-1.1-18-5 outlines a series of steps that need to be completed in order to receive an additional appropriation:
 1. SBOA Reporting,
 2. Public Notice,
 3. Public Hearing,
 4. Submission to the Department,
 5. Department review and response.



Current Procedures: SBOA Reporting

- The Department cannot approve an AA until a unit files the following reports with the State Board of Accounts (“SBOA”):

Report Name	Statute
Annual Financial Report (“AFR”)	5-11-1-4
Annual Personnel Report (“100R”)	5-11-13-1
Anti-Nepotism Policy	5-11-13-1.1
Contract Policy	5-11-13-1.1



Current Procedures: Public Notice

- The public notice for the additional appropriation must comply with IC 5-3-1-2(b).
 - The notice must occur not less than ten calendar days before the public hearing on the proposal.
 - The notice shall be published in two newspapers in the unit's jurisdiction. If only one newspaper is published in the jurisdiction, publication in one paper is sufficient.



Current Procedures: Public Notice

- Public Notice shall include:
 1. Time and place of public hearing,
 2. Each fund name, fund number, and the total of the proposed additional appropriation, and
 3. Categorical breakdown of the proposed additional appropriation for each fund.
- Note: The Department's Field Representatives have templates that can assist you with satisfying the notice requirements.



Current Procedures: Public Hearing

- The proper fiscal body of the unit shall hold the public hearing on the proposal as advertised.
- At the public hearing action shall be taken to approve, modify, or deny the proposed additional appropriation.
- If the additional appropriation is approved, the unit will complete and submit the Certified Copy of Additional Appropriation ([Form 55819](#)) to the Department.



Current Procedures: Submission

- The completed and signed Form 55819, along with any supplemental information required for the AA can be submitted to the Department via email or fax.
- Email: AdditionalAppropriationRequests@dlgf.in.gov
- Fax: (317) 974-1629



Current Procedures: DLGF Review

- Upon the receipt of a Form 55819, the Department will:
 1. Validate that the notice, hearing, and resolution requirements were satisfied.
 2. Review the values entered onto each line of the Form 55819 in order to confirm there are sufficient unappropriated funds to approve the request.
 3. Confirm the Form 55819 was completed and signed.



Current Procedures: DLGF Response

- If the fund meets the criteria below, then you will receive a written response from the Department:
 1. Motor Vehicle Highway Fund
 2. Local Road and Street Fund
 3. Library Improvement Reserve Fund
 4. School Education Fund
 5. Rainy Day Fund
 6. Funds that receive revenue from property taxes levied under IC 6-1.1



Current Procedures: DLGF Response

- HEA 1427-2019 altered the Department's response requirements.
- Beginning on July 1, 2019, additional appropriations for funds, not included on the previous slide, are automatically approved upon submission to the Department.
- The unit must still submit all funds being considered for an additional appropriation, but the Department no longer has to approve and respond to all AA petitions.



Overview of NEW Additional Appropriation Procedures



NEW Additional Appropriation Procedures

- IC 6-1.1-18-5 outlines a series of steps that need to be completed in order to receive and additional appropriation:
 1. SBOA Reporting
 2. Public Notice
 3. Public Hearing
 4. Submission to the Department*
 5. Department review and response*
- The Department is changing the submission, review, and response procedures for 2020 Additional Appropriations.



NEW Additional Appropriation Procedures

A screenshot of the "Indiana Gateway for Government Units" website. The header includes the text "Gateway INDIANA for government units" and a navigation menu with links for Home, About, Account Settings, User Guides, and Logout. Below the header, a welcome message states: "Welcome to the Indiana Gateway for Government Units. As an authorized user, you will have at least one application to use. Each of these applications enables a local unit to submit its required forms, reports or files to the appropriate state agency. Agencies currently include Department of Local Government Finance, State Board of Accounts, Indiana Education Employment Relations Board and Indiana Gaming Commission." A section titled "Select Application" contains two tables. The first table lists applications for the Department of Local Government Finance (DLGF), and the second table lists applications for the State Board of Accounts (SBOA).

Department of Local Government Finance (DLGF)	Deadline
New* Additional Appropriations	Details
Abstract	Details
Assessor Reports	Mar 31
Budgets	Details

State Board of Accounts (SBOA)	Deadline
100R	Jan 31
Annual Financial Report	Details
Monthly and Annual Engagement Uploads	Details
Conflict of Interest Disclosure	15 days

- All units will submit their AA petitions through the new “Additional Appropriation” Application in Gateway.



NEW Additional Appropriation Procedures

Publication Information

Resolution Date
 *

Newspaper Name

Date of Publication

Newspaper Name

Date of Publication

Public Hearing Date

Publication Dates Timely
Resolution Dates Timely
All applicable SBoA reports filed: Yes

Additional Appropriation Order Recipient

Email:

- The Additional Appropriation Application is largely based on the Form 55819. The first step of the process is modelled after Section 1.
- Units will start their submission by entering information about their public notice, public hearing, and resolution.



NEW Additional Appropriation Procedures

Publication Information

Resolution Date
 *

Newspaper Name

Date of Publication

Newspaper Name

Date of Publication

Public Hearing Date

Publication Dates Timely
Resolution Dates Timely
All applicable SBoA reports filed: Yes

←

Additional Appropriation Order Recipient

Email:

- The Application will provide immediate feedback as to whether:
 1. The SBOA reports have been submitted.
 2. The public hearing noticed timely.
 3. The resolution adopted timely.



NEW Additional Appropriation Procedures

Publication Information

Resolution Date
03/01/2020 *

Newspaper Name
The Times

Date of Publication
02/15/2020

Newspaper Name
The Global Globe

Date of Publication
02/14/2020

Public Hearing Date
03/01/2020

Publication Dates Timely
Resolution Dates Timely
All applicable SBoA reports filed: Yes

Additional Appropriation Order Recipient

Email: rburke@dlgf.in.gov

Update and Continue

Close

- Units will also enter the email address that will be contacted directly upon the completion and approval of the additional appropriation.



NEW Additional Appropriation Procedures

Select Unit > Manage Petitions > Select Funds

Selected Year 2020 Select Unit: ADAMS COUNTY - 0000 Adams County

Fund Cd	Fund Description	Select Fund(s):
0061	RAINY DAY	<input type="checkbox"/>
0101	GENERAL	<input type="checkbox"/>
0124	2015 REASSESSMENT	<input type="checkbox"/>
0205	COUNTY WHEEL TAX	<input checked="" type="checkbox"/>
0590	CUMULATIVE COURT HOUSE	<input type="checkbox"/>
0702	HIGHWAY	<input type="checkbox"/>
0703	HIGHWAY SPECIAL	<input type="checkbox"/>
0706	LOCAL ROAD & STREET	<input checked="" type="checkbox"/>
0790	CUMULATIVE BRIDGE	<input type="checkbox"/>
0801	HEALTH	<input type="checkbox"/>
12345		

- In Step 2, the unit will select the fund(s) that will be included on the AA petition. The list is customized by unit, and is based on funds listed on their Form 4. Any funds not on the Form 4 are able to be added manually.



NEW Additional Appropriation Procedures

Select Unit > Manage Petitions > Select Funds > Manage Funds

Selected Year 2020 Select Unit: ADAMS COUNTY - 0000 Adams County

Edit Funds

Select Fund Code

C. Appropriation Amount Requested	\$75,000
D. Amount By Reduction (Enter as a positive number)	\$0
6. January 1 Cash Balance (Includes investments)	\$350,000
11. Encumbered Appropriations Carried Forward from Previous Year	\$25,000
12. Temporary Loans Outstanding as of January 1	\$0
16. Amount transferred to Rainy Day Fund	\$0

- Step three of the new process mirrors Section 2 of the Form 55819. This section of the Form 55819 has 22 lines that are either populated with formulas or require data entry to complete.
- During the prior year budget certification process, the Department collected most of that information from your unit.
- The new application only requires a unit to provide six additional pieces of data. All other information will default into the application.



NEW Additional Appropriation Procedures

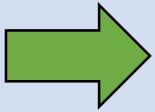
	Example 1		
Advertised Budget (Form 3)	\$100		
Cash Reserves (CYFW)	\$350		
Miscellaneous Revenue (Form 2)	\$0		
Property Tax Levy (Form 4B)	\$0		
Adopted Budget (Form 4)	\$100		

In the example earlier, we examined how a unit can have an appropriation and an unappropriated cash balance. This unappropriated cash balance could be used to fund an AA later in the year.

Example 1: The Department can certify an appropriation of \$100. There will be \$250 of unappropriated funds.



NEW Additional Appropriation Procedures

	Example 1		Example 1a
Advertised Budget (Form 3)	\$100		\$100
Cash Reserves (CYFW)	\$350		\$350
Miscellaneous Revenue (Form 2)	\$0		\$50
Property Tax Levy (Form 4B)	\$0		\$0
Adopted Budget (Form 4)	\$100		\$100

An increase in miscellaneous revenue may also create unappropriated cash.

Example 1: The Department can certify an appropriation of \$100. There will be \$250 of unappropriated funds.

Example 1a: The certified appropriation is still \$100, but now there are \$300 of unappropriated funds.



NEW Additional Appropriation Procedures

Select Unit > Select Funds > Manage Funds > Update Revenues

Selected Year 2020 Select Unit: ADAMS COUNTY - 0000 Adams County

ESTIMATE OF THE MISCELLANEOUS REVENUES FROM SOURCES OTHER THAN GENERAL PROPERTY TAXES FOR USE PREPARATION OF ESTIMATE OF FUNDS TO BE RAISED, YEAR 2020

Select Fund:

0706 - LOCAL ROAD & STREET

Revenue Estimates	Revenue Estimates Jan 1 To Dec 31, 2020	
R113 - LR&S	402000	Edit
R902 - Earnings on Investments	19000	Edit
Total	\$421,000	

Click to Add a New Revenue

Save and Return

- If an AA is based on a change to the previously certified miscellaneous revenue total or the addition of a new revenue type to the fund, units will be able to report those new values to the Department from within the application.



NEW Additional Appropriation Procedures

Select Unit > Select Funds > Manage Funds > Update Revenues

Selected Year 2020 Select Unit: ADAMS COUNTY - 0000 Adams County

ESTIMATE OF THE MISCELLANEOUS REVENUES FROM SOURCES OTHER THAN
GENERAL PROPERTY TAXES FOR USE PREPARATION OF ESTIMATE OF FUNDS TO BE RAISED, YEAR 2020

Select Fund:

0706 - LOCAL ROAD & STREET

Revenue Estimates	Revenue Estimates Jan 1 To Dec 31, 2020	
R113 - LR&S	402000	Edit
R902 - Earnings on Investments		Edit
Total	\$421,000	

Click to Edit an Existing Revenue

Click to Add a New Revenue

Click to Add a New Revenue

Save and Return



NEW Additional Appropriation Procedures

- One of the values that the Department will default into the Application will be the Circuit Breaker (“CB”) amounts. The Circuit Breaker will be populated in one of two ways during the year.
 1. February 1 to April 1:
 - The CB will default the CB estimate from the 4B.
 2. April 2 to December 31:
 - The CB will default the actual CB certified by the county auditor during the Abstract Certification process.



NEW Additional Appropriation Procedures

Select Unit > Select Funds > Manage Non-Reviewed Funds

Selected Year 2020 Select Unit: ADAMS COUNTY - 0000 Adams County

DLGF Fund Number	Fund Name	Additional Appropriation	Appropriation Reduction	
0205	COUNTY WHEEL TAX			<input type="button" value="Edit"/>

Additional Appropriation:

Appropriation Reduction:

- For non-reviewed funds, the Department only needs to collect the Additional Appropriation amount.



NEW Additional Appropriation Procedures


Form Signature

NAME
Leia Burke *

TITLE
County Auditor *

SIGNATURE/PIN
●●●●

DATE
02/24/2020 *

 [Sign and Submit](#)

I hereby acknowledge that the submission of this document through the Gateway password and PIN system constitutes an "electronic signature" as defined in IC 5-24-2-2. This submission is intended to, and hereby does, constitute authentication and approval of the submitted document as required by the Indiana Code. I understand that this electronic signature takes the place of my handwritten signature and accomplishes the same purposes as would my handwritten signature in the same circumstance. I further acknowledge that this electronic signature has the same force and effect as my effect as my handwritten signature and can and will be used for all lawful purposes. I affirm that I have the real and apparent authority to electronically sign and submit this document on behalf of the unit.

- The final step will be electronically sign and submit the AA. Similar to other Gateway applications, the submitter will need to enter their pin number.



Frequently Asked Questions



FAQs

Question 1: Do I have to use the new online method for submission?

- Yes. The Department will process all AAs received on or before March 31, 2020. Any AAs received after March 31, 2020 will be returned to the unit with instructions for completing the online process.



FAQs

Question 2: What is the deadline for submitting AAs?

- Statute does not currently have a deadline for submissions, but the Department has 15 days to review an AA. All submissions received before December 16 will be returned by December 31.
- The application will close for the year on Thursday, December 31. All 2020 AAs will need to be submitted before that time.



FAQs

Question 3: If I have any questions about the new submission procedures, who should I contact?

- Questions can be routed to either your DLGF Budget Field Representative or to the Gateway email address below:
- https://www.in.gov/dlgf/files/Budget_Field_Reps.pdf
- Email: Gateway@dlgf.in.gov