



# Department of Local Government Finance

## Introduction to the New Form 4B

Budget Division

Department of Local Government Finance

March 18, 2020



# Agenda

For the 2021 budget season, the Department will be debuting an upgraded version of the Form 4B. This presentation is designed to provide an introduction and outline of the new format.

1. Purpose of Form 4B
  - Current Layout Overview
2. Introduction to the New Form 4B
  - Advantages of the New Form 4B
  - The New Form 4B – Layout
3. Best Practices



# Purpose of Form 4B



# Form 4B – Financial Statement

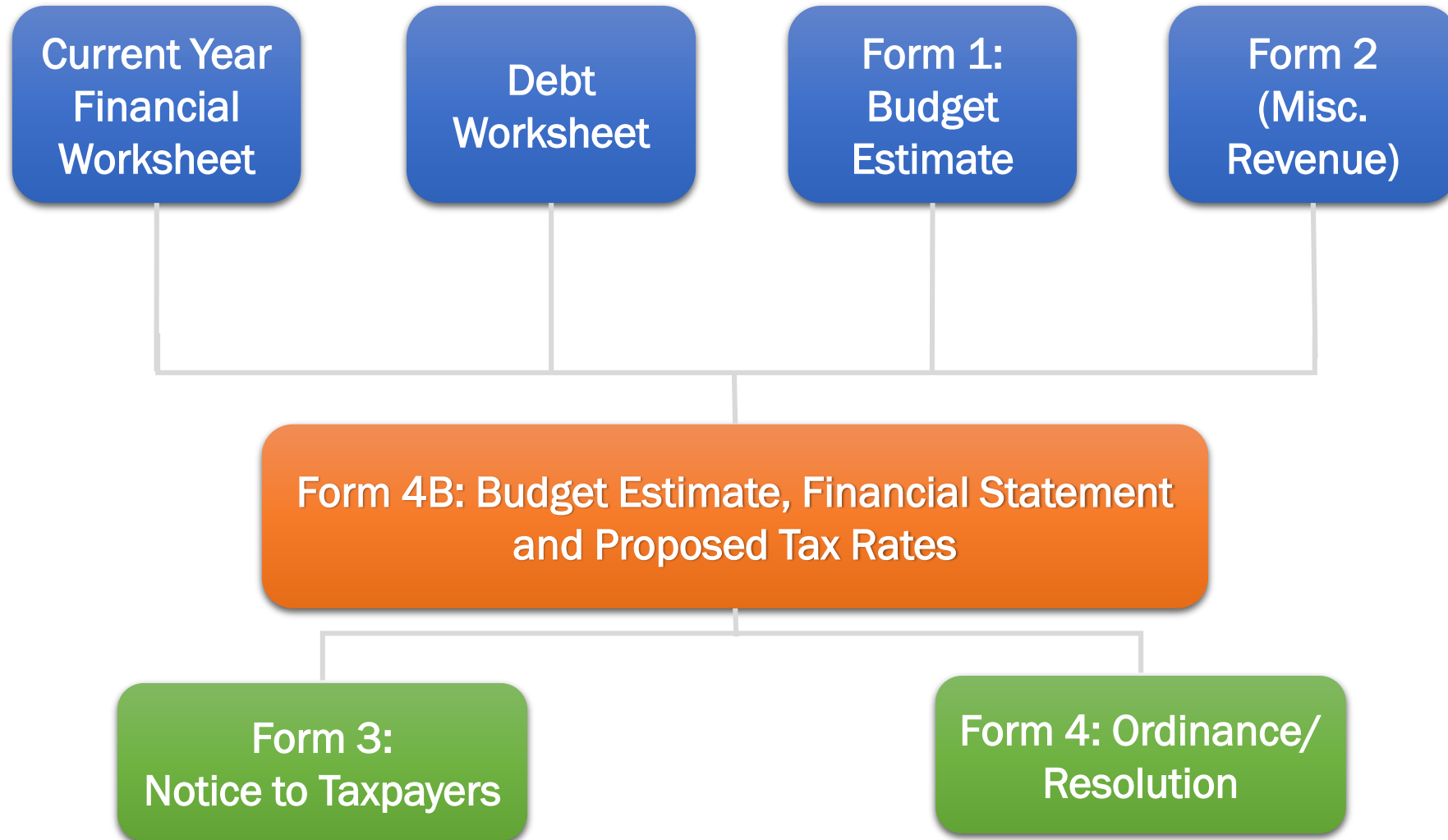
- The Form 4B is the **heart** of the budgeting process.



- Form 4B summarizes the financial status of a fund.



# Budget Forms – Flow Chart





# Form 4B – Current Gateway Layout

- The general format of the Form 4B dates back to the 1950's.
- The purpose of Form 4B is to aggregate 18 months of financial data from the other budget forms in order to calculate the property tax levy and tax rate to be advertised and adopted.
- Form 4B divided into 3 distinct sections:
  - 1. Funds Required For Expenses to Dec. 31 Of Incoming Year:**  
Expenses for 18 months.
  - 2. Funds On Hand from Sources Other Than Tax Levy:**  
Cash and revenues for 18 months.
  - 3. Proposed Tax Rate and Levy:**  
Operating balance and property taxes.



# Form 4B – Current Gateway Layout

Expenses for 18 Months

Cash and Revenues for 18 months excluding property taxes for the following year

		Net Assessed Value \$	480,000,000	
Funds Required For Expenses To December 31st Of Incoming Year		Source	Advertised Amount	Adopted Amount
1. Total budget estimate for incoming year		1 & 4A	\$ 8,517,025	\$ 8,517,025
a.) School Transfer Out		4B	\$ 200,000	\$ 200,000
2. Necessary expenditures, July 1 to December 31 of present year, to be made from appropriations unexpended		CYFW	\$ 5,780,766	\$ 5,780,766
3. Additional appropriation necessary to be made July 1 to December 31 of present year		CYFW	\$ 0	\$ 0
4. Outstanding temporary loans:		CYFW		
a). To be paid not included in lines 2 or 3		CYFW	\$ 300,000	\$ 300,000
b). Not repaid by December 31 of present year		CYFW	\$ 0	\$ 0
5. <b>TOTAL FUNDS required</b> (add lines 1, 1a, 2, 3, 4a and 4b)			\$ 14,797,791	\$ 14,797,791
Funds On Hand To Be Received From Sources Other Than Proposed Tax Levy			Advertised Amount	Adopted Amount
6. Actual cash balance, June 30 of present year (including cash investments)		CYFW	\$ 3,851,988	\$ 3,851,988
7. Taxes to be collected, present year (December settlement)		CYFW	\$ 1,558,953	\$ 1,558,953
8. Miscellaneous revenue to be received July 1 of present year to December 31 of incoming year (Schedule on File):				
a). Total Column A Budget Form 2		Form 2	\$ 1,643,164	\$ 1,643,164
b). Total Column B Budget Form 2		Form 2	\$ 2,175,000	\$ 2,175,000
9. <b>TOTAL FUNDS</b> (Add lines 6, 7, 8a and 8b)			\$ 9,229,105	\$ 9,229,105
10. Net amount to be raised for expenses to December 31 of incoming year (deduct line 9 from 5)			\$ 5,568,686	\$ -5,568,686



# Form 4B – Current Gateway Layout

Operating Balance

Total  
N/A

N/A to Most  
Total

Reserved for DLGF  
Property Tax Levy  
Property Tax Rate

Property Tax Cap to  
calculate the  
“Net Budget”

Proposed Tax Rate and Levy	Advertised 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 13b and 16 then press 'Save ' button to calculate this value.</small>	\$ 0	\$ 0
12. Amount to be raised by tax levy (add lines 10 and 11) ⓘ	\$ 5,568,686	\$ 5,568,686
13a. Property Tax Replacement Credit from Local Option Tax ⓘ	\$ 0	\$ 0
13b. Operating LOIT ⓘ	\$ 0	\$ 0
14. NET AMOUNT TO BE RAISED BY TAX LEVY (deduct line 13b from line 12) ⓘ	\$ 5,568,686	\$ 5,568,686
15. Levy Excess Fund applied to current budget ⓘ	\$ 0	\$ 0
16. Net amount to be raised ⓘ	\$ 5,568,686	\$ 5,568,686
17. Net Tax Rate on each one hundred dollars of taxable property ⓘ	1.1601	1.1601

	Source	Advertised Amount	Adopted Amount
Property Tax Cap Credits ⓘ	1 and 4A	\$ 317,025	\$ 317,025





# Form 4B – Current 1782 Layout

The 4B is also included on the 1782 for each certified fund.

The template is slightly different than the version in Gateway, but the same 18 lines are present the same data for the fund.

Expenses for 18 Months

Cash and Revenues for 18 months excluding property taxes for the following year

<u>FUND: 0101</u>	
AV: \$1,068,898,444	
1A. Gross Budget Est	14,573,308
1B. Est Prop Cap Impact	590,665
<b>1C. Net Budget Est</b>	<b>13,982,643</b>
1D. School Transfer Out	0
2. Expenditures J1-Dec	5,994,530
3. Add App J1-Dec	0
4A. Temporary Loans	0
4B. Loans Not Pd 12/31	0
<b>5. TOTAL EST EXP</b>	<b>20,567,838</b>
6. Cash Balance 6/30	5,960,534
7. Dec Tax Collection	1,963,873
8A. Misc Rev Jul-Dec	4,612,810
8B. Misc Rev Total	9,578,685
<b>9. TOTAL FUNDS</b>	<b>22,115,902</b>
<b>10. NET AMT REQ(5 - 9)</b>	<b>(1,548,064)</b>
<b>11. Operating Balance</b>	<b>8,648,756</b>
<b>12. Total(10+11)</b>	<b>7,100,692</b>
13A. PTRC	0
13B. LOIT	0
<b>14. Net Amt To Raise</b>	<b>7,100,692</b>
15. Levy Excess	0
<b>16. TAX LEVY</b>	<b>7,100,692</b>
<b>TAX RATE</b>	<b>0.6643</b>



# The New Form 4B



# The New Form 4B - Goals

With a template that dates back as far as the 4B, changing the form is not something that we considered lightly. As we were developing the new format, there were several goals that we wanted to accomplish:

1. Use of the same source material for the new template.
2. Present the revenue and expense information chronologically.
3. Elimination of gross & net budget to explain property tax caps.
4. Easily locatable and understandable operating balance.
5. Create a revenue first approach for proactive budgeting.



# The New Form 4B - Overview

- The New Form 4B still have three distinct sections:
  1. Current Year:
    1. Time Period: June 30, 2020 through December 31, 2020
    2. The Current Year Section will be separated into:
      - A. Cash Balance and Revenues
      - B. Expenses
  2. Budget Year
    1. Time Period: January 1, 2021 to December 31, 2021
    2. The Budget Year Section will be separated into:
      - A. Revenues
      - B. Expenses
  3. Data Entry and Tax Rate Calculation



# New Form 4B – Current Year Section



# The New Form 4B – Current Year Section

July to December - 2020		
Cash Balance and Revenues		
1. June 30th Cash Balance ⓘ	(Line 6)	1,500,000
2. Property Taxes to be Collected ⓘ	(Line 7)	1,000,000
3. Miscellaneous Revenue ⓘ	(Line 8A)	2,000,000
<b>4. Total Cash and Revenues</b>		<b>4,500,000</b>
Expenses		
5. Necessary Expenditures ⓘ	(Line 2)	3,000,000
6. Additional Appropriation ⓘ	(Line 3)	-
7. Outstanding Temporary Loans and Transfers ⓘ	▼	500,000
7a. Transfers Out and Outstanding Temporary Loans	(Line 4A)	-
7b. Reserved		-
7c. School Transfers	(Line 1A)	500,000
<b>8. Total Expenses ⓘ</b>		<b>3,500,000</b>
<b>9. Estimated December 31st, 2020 Cash Balance (Line 4 - 8) ⓘ</b>		<b>1,000,000</b>

The Current Year section of the new 4B covers the revenue and expenditure activity for the remainder of the calendar year.



# The New Form 4B – Current Year Section

July to December - 2020		
Cash Balance and Revenues		
1. June 30th Cash Balance ⓘ	(Line 6)	1,500,000
2. Property Taxes to be Collected ⓘ	(Line 7)	1,000,000
3. Miscellaneous Revenue ⓘ	(Line 8A)	2,000,000
<b>4. Total Cash and Revenues</b>		<b>4,500,000</b>

New 4B Line Number	Line Description	Source Material	Old 4B Line Number
Line 1	June 30 cash balance.	CYFW	Line 6
Line 2	Property taxes to be collected in December	CYFW	Line 7



# The New Form 4B – Current Year Section

July to December - 2020		
Cash Balance and Revenues		
1. June 30th Cash Balance ⓘ	(Line 6)	1,500,000
2. Property Taxes to be Collected ⓘ	(Line 7)	1,000,000
3. Miscellaneous Revenue ⓘ	(Line 8A)	2,000,000
<b>4. Total Cash and Revenues</b>		<b>4,500,000</b>

New 4B Line Number	Line Description	Source Material	Old 4B Line Number
Line 3	Miscellaneous Revenue (other than property taxes) to be collected between June 30 and December 31	Form 2	Line 8a
Line 4	Total Revenue for last six months of year (Line 1 + Line 2 + Line 3)	N/A	N/A





# The New Form 4B – Current Year Section

Expenses		
5. Necessary Expenditures ⓘ	(Line 2)	3,000,000
6. Additional Appropriation ⓘ	(Line 3)	-
7. Outstanding Temporary Loans and Transfers ⓘ	▼	500,000
7a. Transfers Out and Outstanding Temporary Loans	(Line 4A)	-
7b. Reserved		-
7c. School Transfers	(Line 1A)	500,000
<b>8. Total Expenses ⓘ</b>		<b>3,500,000</b>
<b>9. Estimated December 31st, 2020 Cash Balance (Line 4 - 8) ⓘ</b>		<b>1,000,000</b>

New 4B Line Number	Line Description	Source Material	Old 4B Line Number
Line 5	Remaining appropriation	CYFW	Line 2
Line 6	Additional Appropriations for the last half	CYFW	Line 3
Line 7	Totals the transfers/temp loans from the CYFW and the school transfers entered on Form 4B	CYFW	Line 4a



# The New Form 4B – Current Year Section

Expenses		
5. Necessary Expenditures ⓘ	(Line 2)	3,000,000
6. Additional Appropriation ⓘ	(Line 3)	-
7. Outstanding Temporary Loans and Transfers ⓘ		500,000
7a. Transfers Out and Outstanding Temporary Loans	(Line 4A)	-
7b. Reserved		-
7c. School Transfers	(Line 1A)	500,000
<b>8. Total Expenses ⓘ</b>		<b>3,500,000</b>
<b>9. Estimated December 31st, 2020 Cash Balance (Line 4 - 8) ⓘ</b>		<b>1,000,000</b>

New 4B Line Number	Line Description	Source Material	Old 4B Line Number
Line 8	Total Expenses for last six months of year (Line 5 + Line 6 + Line 7)	N/A	N/A
Line 9	Estimated Cash Balance on December 31 (Line 4 - Line 8)	N/A	N/A



# The New Form 4B – Current Year Recap

- The Current Year Section calculates the estimated cash balance for the current year in three steps:
  - Begin with the 6/30 cash balance.
  - Add revenues for the last 6 months.
  - Subtract expenses for the last 6 months.
- This estimated ending cash balance field indicates how much funding will be available at the end of the year for cash flow purposes or to fund deficit spending.



# The New Form 4B – Current Year Section

July to December - 2020		
<b>Cash Balance and Revenues</b>		
1. June 30th Cash Balance ⓘ	(Line 6)	1,500,000
2. Property Taxes to be Collected ⓘ	(Line 7)	1,000,000
3. Miscellaneous Revenue ⓘ	(Line 8A)	2,000,000
<b>4. Total Cash and Revenues</b>		<b>4,500,000</b>
<b>Expenses</b>		
5. Necessary Expenditures ⓘ	(Line 2)	3,000,000
6. Additional Appropriation ⓘ	(Line 3)	-
7. Outstanding Temporary Loans and Transfers ⓘ		500,000
7a. Transfers Out and Outstanding Temporary Loans	(Line 4A)	-
7b. Reserved		-
7c. School Transfers	(Line 1A)	500,000
<b>8. Total Expenses ⓘ</b>		<b>3,500,000</b>
<b>9. Estimated December 31st, 2020 Cash Balance (Line 4 - 8) ⓘ</b>		<b>1,000,000</b>

How much did this unit reduce their cash balance between June 30 (Line 1) and Dec. 31 (Line 9)?



# New Form 4B – Budget Year Section



# The New Form 4B – Budget Year Section

<b>Budget Year - 2021</b>			
<b>Revenues</b>		<b>Advertised</b>	<b>Adopted</b>
<b>10. Reserved for DLGF application of Levy Excess</b>			
<b>11. Property Tax Levy</b> ⓘ	<b>(Line 16)</b>	<b>2,500,000</b>	<b>2,500,000</b>
<b>12. Property Tax Cap Impact</b> ⓘ	<b>(Tax Cap)</b>	<b>(300,000)</b>	<b>(300,000)</b>
<b>13. Miscellaneous Revenue</b> ⓘ	<b>(Line 8B)</b>	<b>4,000,000</b>	<b>4,000,000</b>
<b>14. Budget Year Total Revenues</b>		<b>6,200,000</b>	<b>6,200,000</b>
<b>Expenses</b>		<b>Advertised</b>	<b>Adopted</b>
<b>15. 2021 Budget Estimate</b> ⓘ	<b>(Line 1)</b>	<b>6,000,000</b>	<b>6,000,000</b>
<b>16. Outstanding Temporary Loans and Transfers</b> ⓘ		<b>1,000,000</b>	<b>1,000,000</b>
16a. Transfers Out and Outstanding Temporary Loans	<b>(Line 4B)</b>		-
16b. Reserved			-
16c. School Transfers	<b>(Line 1A)</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>17. Total 2021 Expenses</b> ⓘ		<b>7,000,000</b>	<b>7,000,000</b>
<b>18. Operating Balance - Estimated December 31st 2021 Cash Balance</b> ⓘ			
<b>(Line 9 + 14 - 17)</b>		<b>200,000</b>	<b>200,000</b>
<b>(Line 11)</b>			

		<b>Advertised</b>	<b>Adopted</b>
Net Assessed Value		<b>500,000,000</b>	<b>500,000,000</b>
Property Tax Rate	<b>(Line 17)</b>	<b>0.5000</b>	<b>0.5000</b>

The Budget Year Section covers the revenue and expenditure activity for January 1 to December 31 of the budget year.



# The New Form 4B – Budget Year Section

Budget Year - 2021			
Revenues		Advertised	Adopted
<b>10. Reserved for DLGF application of Levy Excess</b>			
<b>11. Property Tax Levy</b> ⓘ	<b>(Line 16)</b>	<b>2,500,000</b>	<b>2,500,000</b>
<b>12. Property Tax Cap Impact</b> ⓘ	<b>(Tax Cap)</b>	<b>(300,000)</b>	<b>(300,000)</b>
<b>13. Miscellaneous Revenue</b> ⓘ	<b>(Line 8B)</b>	<b>4,000,000</b>	<b>4,000,000</b>
<b>14. Budget Year Total Revenues</b>		<b>6,200,000</b>	<b>6,200,000</b>

New 4B Line Number	Line Description	Source Material	Old 4B Line Number
Line 10	Reserved for the DLGF application of levy excess	DLGF	15
Line 11	Property tax levy is entered in the data entry section. In Gateway, the Property Tax levy will still be able to be calculated using based on information about a target levy, operating balance, or rate.	Unit	16



# The New Form 4B – Budget Year Section

Budget Year - 2021			
Revenues		Advertised	Adopted
<b>10. Reserved for DLGF application of Levy Excess</b>			
<b>11. Property Tax Levy</b> ⓘ	<b>(Line 16)</b>	<b>2,500,000</b>	<b>2,500,000</b>
<b>12. Property Tax Cap Impact</b> ⓘ	<b>(Tax Cap)</b>	<b>(300,000)</b>	<b>(300,000)</b>
<b>13. Miscellaneous Revenue</b> ⓘ	<b>(Line 8B)</b>	<b>4,000,000</b>	<b>4,000,000</b>
<b>14. Budget Year Total Revenues</b>		<b>6,200,000</b>	<b>6,200,000</b>

New 4B Line Number	Line Description	Source Material	Old 4B Line Number
Line 12	Tax cap impact is a negative adjustment to the revenue. Property tax will be treated as a reduction to revenue in the Budget Year, and not as an expense on the Form 1. The Department will begin phasing out language related to ‘gross’ and ‘net’ budget	N/A	N/A





# The New Form 4B – Budget Year Section

Budget Year - 2021			
Revenues		Advertised	Adopted
<b>10. Reserved for DLGF application of Levy Excess</b>			
<b>11. Property Tax Levy</b> ⓘ	<b>(Line 16)</b>	<b>2,500,000</b>	<b>2,500,000</b>
12. Property Tax Cap Impact ⓘ	<b>(Tax Cap)</b>	(300,000)	(300,000)
13. Miscellaneous Revenue ⓘ	<b>(Line 8B)</b>	4,000,000	4,000,000
<b>14. Budget Year Total Revenues</b>		<b>6,200,000</b>	<b>6,200,000</b>

New 4B Line Number	Line Description	Source Material	Old 4B Line Number
Line 13	Miscellaneous Revenue (other than property taxes) to be collected between January 1 and December 31	Form 2	Line 8B
Line 14	Total Budget Year Revenue Line 10 + Line 11 + Line 12 + Line 13	N/A	N/A



# The New Form 4B – Budget Year Section

Expenses		Advertised	Adopted
<b>15. 2021 Budget Estimate</b> ⓘ	(Line 1)	6,000,000	6,000,000
16. Outstanding Temporary Loans and Transfers ⓘ		1,000,000	1,000,000
16a. Transfers Out and Outstanding Temporary Loans	(Line 4B)		-
16b. Reserved			-
16c. School Transfers	(Line 1A)	1,000,000	1,000,000
<b>17. Total 2021 Expenses</b> ⓘ		<b>7,000,000</b>	<b>7,000,000</b>
<b>18. Operating Balance - Estimated December 31st 2021 Cash Balance</b> ⓘ	(Line 9 + 14 - 17) (Line 11)	200,000	200,000

New 4B Line Number	Line Description	Source Material	Old 4B Line Number
Line 15	Budget estimate	Form 1	Line 1
Line 16	The combined totals of the transfers, temporary loans from Lines 16a, 16b, and 16c. By separating the amounts into individual lines, the Department can more accurately separate the total on Line 16.	CYFW	Line 1A Line 4B



# The New Form 4B – Budget Year Section

Expenses		Advertised	Adopted
<b>15. 2021 Budget Estimate</b> ⓘ	(Line 1)	6,000,000	6,000,000
16. Outstanding Temporary Loans and Transfers ⓘ		1,000,000	1,000,000
16a. Transfers Out and Outstanding Temporary Loans	(Line 4B)		-
16b. Reserved			-
16c. School Transfers	(Line 1A)	1,000,000	1,000,000
<b>17. Total 2021 Expenses</b> ⓘ		<b>7,000,000</b>	<b>7,000,000</b>
<b>18. Operating Balance - Estimated December 31st 2021 Cash Balance</b> ⓘ (Line 9 + 14 - 17)	(Line 11)	200,000	200,000

New 4B Line Number	Line Description	Source Material	Old 4B Line Number
Line 17	Total expenses for the budget year	N/A	N/A
Line 18	Estimated ending cash balance (operating balance). Positive amounts represent a budget fundable by current estimates. Line 9 + Line 14 - Line 17	N/A	Line 11



# The New Form 4B – Budget Year Section

		Advertised	Adopted
Net Assessed Value		500,000,000	500,000,000
Property Tax Rate (Line 17)		0.5000	0.5000

New 4B Line Number	Line Description	Source Material	Old 4B Line Number
N/A	This last section presents the NAV and property tax rate based on the calculation on the rest of the 4B and based on additional information added to the data entry section.	N/A	N/A



# The New Form 4B – Budget Year Summary

- The Budget Year Section calculates the estimated cash balance for the current year in three steps:
  1. Add revenues (including the circuit breaker impact) for the 12 months.
  2. Subtract expenses for the last 12 months.
  3. Added the total of lines above to the amount calculated in the Current Year Section.
- This estimated ending cash balance field indicates how much funding will be available at the end of the year for cash flow purposes or to fund deficit spending.



# The New Form 4B – Budget Year Section

<b>Budget Year - 2021</b>			
<b>Revenues</b>		<b>Advertised</b>	<b>Adopted</b>
<b>10. Reserved for DLGF application of Levy Excess</b>			
<b>11. Property Tax Levy</b> ⓘ	<b>(Line 16)</b>	<b>2,500,000</b>	<b>2,500,000</b>
<b>12. Property Tax Cap Impact</b> ⓘ	<b>(Tax Cap)</b>	<b>(300,000)</b>	<b>(300,000)</b>
<b>13. Miscellaneous Revenue</b> ⓘ	<b>(Line 8B)</b>	<b>4,000,000</b>	<b>4,000,000</b>
<b>14. Budget Year Total Revenues</b>		<b>6,200,000</b>	<b>6,200,000</b>
<b>Expenses</b>		<b>Advertised</b>	<b>Adopted</b>
<b>15. 2021 Budget Estimate</b> ⓘ	<b>(Line 1)</b>	<b>6,000,000</b>	<b>6,000,000</b>
<b>16. Outstanding Temporary Loans and Transfers</b> ⓘ		<b>1,000,000</b>	<b>1,000,000</b>
16a. Transfers Out and Outstanding Temporary Loans	<b>(Line 4B)</b>		-
16b. Reserved			-
16c. School Transfers	<b>(Line 1A)</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>17. Total 2021 Expenses</b> ⓘ		<b>7,000,000</b>	<b>7,000,000</b>
<b>18. Operating Balance - Estimated December 31st 2021 Cash Balance</b> ⓘ <b>(Line 9 + 14 - 17)</b>		<b>200,000</b>	<b>200,000</b>

	<b>Advertised</b>	<b>Adopted</b>
Net Assessed Value	<b>500,000,000</b>	<b>500,000,000</b>
Property Tax Rate	<b>0.5000</b>	<b>0.5000</b>

In the Current Year Section, the June 30 cash balance was \$1,500,000 (Line 1). Line 18 shows the Dec. 31 Operating Balance is estimated at 200,000. How much did this unit reduce their cash balance in this budget cycle?



# The New Form 4B – Data Entry



# The New Form 4B – Data Entry Section

- While most of the information will default into the Form 4B, units will still need to supply some information directly:
  1. NAV estimate
  2. Property tax levy
  3. Estimated CB losses
  4. School transfers out

Data Entry Section		
<b>Property Taxes: Data Entry</b>		
<b>Assessed Value</b>		
Net Assessed Value Estimate ⓘ	<input type="text" value="500,000,000"/>	
<b>Method Selection</b>		
	Advertised	Adopted
Select which value to provide in order to calculate the other fields:	Levy <input type="text" value="2,500,000"/>	Levy <input type="text" value="2,500,000"/>
Levy	<input type="text" value="2,500,000"/>	<input type="text" value="2,500,000"/>
Rate	<input type="text"/>	<input type="text"/>
Operating Balance	<input type="text"/>	<input type="text"/>
<b>Calculated Property Tax Levy and Rate</b>		
	Advertised	Adopted
A. Property Tax Levy ⓘ	2,500,000	2,500,000
B. Net Assessed Value	500,000,000	500,000,000
C. Tax Rate (Levy divided by NAV, multiplied by 100) ⓘ	0.5000	0.5000
<b>Estimated Tax Cap Loss ⓘ</b>		
	Advertised	Adopted
Estimated Property Tax Cap Impact	<input type="text" value="-300,000"/>	<input type="text" value="-300,000"/>
<b>School Transfer Out ⓘ</b>		
	July 1 - Dec 31, 2020	Jan 1 - Dec 31, 2020
Transfers between the Education, Operations and Referendum funds	<input type="text" value="500,000"/>	<input type="text" value="1,000,000"/>
<b>2021 Budget Estimate ⓘ</b>		
	Advertised	Adopted
Automatically Populate Budget from Form 1?	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No
Override 2021 Budget Estimate	<input type="text"/>	<input type="text"/>
	<input type="button" value="Save"/>	<input type="button" value="Save &amp; Close Data Entry"/>





# The New Form 4B – Data Entry Section

Property Taxes: Data Entry		
<b>Assessed Value</b>		
Net Assessed Value Estimate		500,000,000
<b>Method Selection</b>		
	Advertised	Adopted
Select which value to provide in order to calculate the other fields:	Levy <input type="text" value="Levy"/>	Levy <input type="text" value="Levy"/>
Levy	2,500,000	2,500,000
Rate	<input type="text"/>	<input type="text"/>
Operating Balance	<input type="text"/>	<input type="text"/>

- Assessed Value: The unit will provide the Form 4B with NAV estimate.
- Method Selection: The Gateway Calculator will use the AV, then either the target levy, rate, or operating balance to assist with calculating the fund tax rate.




# The New Form 4B – Data Entry Section

Calculated Property Tax Levy and Rate	Advertised	Adopted
A. Property Tax Levy ⓘ	2,500,000	2,500,000
B. Net Assessed Value	500,000,000	500,000,000
C. Tax Rate (Levy divided by NAV, multiplied by 100) ⓘ	0.5000	0.5000

- Based on information entered into the “Method Selection,” the Calculated Property Tax Levy and Rate section will summarize the
  - A. Property tax levy
  - B. NAV
  - C. Property tax rate: calculated as  $(\text{Levy} / \text{NAV}) * 100$




# The New Form 4B – Data Entry Section

Estimated Tax Cap Loss 	Advertised	Adopted
Estimated Property Tax Cap Impact	-300,000	-300,000

- The Estimated Tax Cap Loss: Units will enter their estimated CB impact advertised and adopted columns.
- Since the CB will always reduce the levy collected, any amount entered will be saved as a negative value.



# The New Form 4B – Data Entry Section

School Transfer Out 	<u>July 1 - Dec 31, 2020</u>	<u>Jan 1 - Dec 31, 2020</u>
Transfers between the Education, Operations and Referendum funds	500,000	1,000,000

- School Transfer Out: This section only applies to schools. The amount entered amount will populate lines 7c and 16c on the Form 4B.
- The transfers for the last 6 months of the current year are no longer lumped in with the transfers/temp loans line.



# The New Form 4B – Data Entry Section

Data Entry Section		
2021 Budget Estimate ⓘ	Advertised	Adopted
Automatically Populate Budget from Form 1?	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No
Override 2021 Budget Estimate	<input type="text"/>	<input type="text"/>

- 2021 Estimate: The section is not required, but serves as an option to override the budget estimate in case of emergencies.
- It is possible that the board could make a last minute change at the adoption meeting that affects numerous line items. This override feature allows the budget amount to be edited, and a revised Form 4 to be printed off and signed before the meeting ends.



# The New Form 4B – Data Entry Summary

- Most of the data for Form 4B flows in from the other forms. The following need to be manually entered:
  - NAV estimate
  - Desired levy, rate or operating balance
  - Estimated tax cap loss
  - School transfers out



# Frequently Asked Questions



# Frequently Asked Questions

- **Line 13B: LIT Levy Freeze is missing from the new format. How do I report this?**
  - LIT Levy Freeze only applies to a handful of counties, but if it applies to you:
    - Data entry for revenue R105: LIT for Levy Freeze on the Form 2: Estimate of Miscellaneous Revenue, will no longer block data entry for the budget year amount.
    - This field will be used in place of Line 13B.


		Taxes And Intergovernmental	Licenses And Permits	Charges For Services	Fines, Forfeitures, And Fees	Other Receipts
Revenue Code ⓘ	Description	July 1 to Dec 31, 2019 ⓘ		Jan 1 to Dec 31, 2020 ⓘ		
R105	Local Income Tax (LIT) for Levy Freeze	\$ 2,007				





# Frequently Asked Questions

- Lines 7B and 16B say “reserved”. What are they reserved for?
  - In the future, the CYFW and Form 4B will be revised to separate out temporary loans and permanent transfers.

7. Outstanding Temporary Loans and Transfers 	▼	500,000
7a. Transfers Out and Outstanding Temporary Loans	<b>(Line 4A)</b>	-
7b. Reserved		-
7c. School Transfers	<b>(Line 1A)</b>	500,000



# Frequently Asked Questions

- What happens next?
  - The 4B transition is going to be the centerpiece of Department communication for the next 9 months.
  - On March 19, the Department will record and post this webinar on our website.
  - In April, the Department will release:
    1. FAQ on the new 4B template.
    2. Workbook that presents the actual 2020 budget information side by side in the old and new template.
    3. Blank 4B template with interactive data entry section.



# Frequently Asked Questions

- What happens next?
  - Units will begin to familiarize themselves with the new template ahead of the upcoming budget season.
  - Elected officials will engage with their Budget Field Representatives over email, cell phone, and during county visits, to continue the conversation started today.
  - The Department will continue to release updated FAQs as more questions continue to be generated leading up to the budget season.



# Contact Us

Website: [www.in.gov/dlgf](http://www.in.gov/dlgf)

Contact Us: [www.in.gov/dlgf/2338.htm](http://www.in.gov/dlgf/2338.htm)

Telephone: (317) 232-3777

Budget Field Representative Map:

[https://www.in.gov/dlgf/files/Budget\\_Field\\_Reps.pdf](https://www.in.gov/dlgf/files/Budget_Field_Reps.pdf)

Gateway Support:

[Gateway@dlgf.in.gov](mailto:Gateway@dlgf.in.gov)

DLGF Customer Service Survey:

[Customer Survey](#)