
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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Frequently Asked Questions

Common Budget Mistakes Webinar *August 2023*

1. Can unspent general funds/park funds be transferred to the rainy day line?

The cash to support unspent, unencumbered appropriations can be transferred from most funds to the Rainy Day Fund. The exceptions are any debt fund or Township Assistance. Please contact the [State Board of Accounts](#) if you are unsure how to make the transfer or any limits by the fund.

2. Can you explain how a temporary loan works?

Please contact the [State Board of Accounts](#) for information about temporary loans.

3. When filling in line 6, we don't include purchases of our investments in that line...just true expenses. I assume this is ok.

Correct, only true expenses need to be listed on line 6.

4. When will the excess levy increase forms and instructions be available?

The excess levy appeal memo and templates are available at: <https://www.in.gov/dlgef/memos-and-presentations/memos/>

5. Should my January to June disbursements be in a cash basis or accrual basis?

Please contact the [State Board of Accounts](#). SBOA will be able to assist you with information regarding cash or accrual basis.

6. So as of 8/23 the only form needed to be submitted is the Form 3?

The Form 3 needs to be submitted a minimum of 10 days prior to your public hearing, everything else is submitted after the adoption meeting.

It is possible that a unit has adopted their budget by 8/23 so this is a unit-specific question.

7. *So, if it is on a cash basis, my disbursements will look a lot higher because it includes 2022 disbursements. Do I exclude 2022?*

Yes, you should exclude disbursements against the approved 2022 budget unless those expenses were encumbered.

8. *Is it okay for a grant fund to show negative on Form 4B Line 18 advertised?*

Grant Funds are considered home-rule funds and are not reviewed by the Department. A negative amount shows that the budget is not funded and therefore not recommended.

9. *Can you restate the process if you have objections?*

If an objection is filed after the Public Hearing, IC 6-1.1-17-5(b) states the unit will need to address this objection at the adoption meeting and adopt findings as it relates to the objection.

The Objection Petition and Findings will need to be uploaded into Gateway with the Signed Form 4.

10. *On the 10 days, can weekends and holidays be included in the count of the 10 days?*

Yes. IC 6-1.1-17-5(a) simply says 10 days as opposed to business days, so weekends and holidays count. If you are unsure when the 10 day period begins or ends, please reach out to your [Budget Field Representative](#).

11. *On the new fire funds, how do you bring this year's amount into the new fund 1105 and 1106?*

A memo was released on August 18 regarding this topic. Please list the approved budget on the non-appropriated line of the Current Year Financial worksheet and fill the rest of the form out as normal.

12. *Can you share the link for the miscellaneous revenues report?*

The Estimated Miscellaneous Revenues Report can be found on the County Specific Information page on the [Department's website](#).

13. *CVET/FIT/Vehicle Excise receipts are decreasing due to the elimination of the Fire Dept. but 3-5 year averages remain at higher amounts, should I use those amounts or use estimates based on what I've received in the last year?*

Unit officials can use their own estimates. The Department's estimates are done on a statewide basis and may not necessarily reflect a unit's particular circumstances.

14. Does the Department give out estimates of miscellaneous revenues for other taxes such as CVET and Vehicle/Aircraft Excise Taxes?

The Department's Miscellaneous Revenue estimates include CVET, Excise, FIT, Cigarette Tax, ABC Gallonage, Local road and Street Distribution, and Motor Vehicle Highway Distributions.

Local Income Tax Revenue estimates are released in August and October with the final numbers being released in November.

15. I am missing the fund names on the miscellaneous spreadsheet when I go to my specific county/unit.

Please reach out to your [Budget Field Representative](#).

16. Do all board members need to be present to sign form 4, or just a quorum?

Just a quorum. IC 5-14-1.5-3.5(i) prohibits a member of a governing body from participating electronically in a public meeting to adopt the unit's budget. Therefore, a member of the governing body not attending the adoption meeting in person cannot sign the Form 4.

17. What was the number for a quorum?

There's no general definition of a "quorum" in statute, but there may be statutes that define "quorum" for specific governing bodies. For example, IC 36-6-6-4(a) states that with a couple of exceptions, 2 members of a township board is a quorum. For a town council, IC 36-5-2-9.2 states that a majority of the elected members of the council is a quorum. For a city council, IC 36-4-6-10 also states that a majority of elected members of the council is a quorum. For a county council, IC 36-2-4-3 also states that a majority of elected members is a quorum, but the council may by rule define it as more than a majority of all members. Also, keep in mind that what is considered a majority vote may also be defined by statute and may not necessarily be the majority of those present at the meeting.

18. So, a quorum of the board has to be at both the public hearing AND the adoption hearing? We thought they only had to be at the adoption meeting.

Yes. According to the Open Door Law (IC 5-14-1.5-1 et seq.), a quorum must be present at both the public hearing and the adoption meeting because they are both gatherings where the governing body is going to take official action.

19. Can we transfer more from Education to Operation than we account for on our Form 4b or are we held to that amount for the year?

Yes, it may require a change in the original resolution that was signed for the transfer. Please reach out to your [Budget Field Representative](#) for clarification.

20. How do schools list their transfers from Education to Operation fund?

Transfers between funds for schools are accounted for on the Form 4B. Line 7B is for the last half of the current year and line 16B will be for all of the budget year.

21. Do schools still need to upload their bus replacements and capital project plans?

Yes, IC 20-40-18-6 and IC 20-40-18-9 require the school corporation to upload its capital projects plan and bus replacement plan, respectively, onto Gateway.

22. If our library did not receive this year's increase due to error, what do they receive for next year?

The maximum levy for an upcoming budget year is calculated from the unit's previous year's maximum levy. See IC 6-1.1-18.5-3(a). The continued levy would not therefore change the unit's maximum levy but the unit would not be able to recover the missed levy from the year the levy was continued. For a public library, increasing the budget by more than the MLGQ over the previous year will make the library a binding unit under IC 6-1.1-17-20.3.

23. Is a fire territory a binding unit?

A fire protection territory is not a unit of government. It is a contractual agreement between two or more participating units. A fire territory does not have its own governing board -- participating units may create "executive boards" by agreement but these boards cannot have any budgeting or levying power of their own. The provider unit is required by IC 36-8-19-8(c) to adopt the budget and levy for the fire territory's funds, with the assistance of the other participating units.

24. Is a wastewater utility a binding unit?

Under IC 6-1.1-17-20, it is a binding unit if a majority of its board members are appointed rather than elected.

25. What is the Sept 1 deadline? If I have not entered all revenue and expenses by then I cannot make any changes? Is that correct?

The September 1 deadline only applies to binding units. If your budget is subject to binding review, you will lose the ability to edit any of the forms in Gateway and will have to work with the fiscal officer of the fiscal body that will be in charge of your adoption to make any necessary changes.

26. Will the presentation deck be sent out to all attendees?

Yes, all presentations are available on the Department's website at:
<https://www.in.gov/dlgf/continuing-education/webinars/>

27. How do we submit this for our credit?

You will self-report your attendance on the CE Form.