



# Department of Local Government Finance

## **Additional Appropriations & Other Budgeting Resources**

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# Disclaimer

- This presentation and other Department of Local Government Finance materials are not a substitute for the law. The following is not legal advice, just an informative presentation. The Indiana Code always governs.



# Agenda

- 1) Definitions:
  - What is an appropriation?
  - What is an additional appropriation?
- 2) Overview of Additional Appropriation Procedures
- 3) Overview of Additional Appropriations in Gateway
- 4) Additional Appropriation Topics
- 5) Frequently Asked Questions (“FAQs”)



# Definitions – Appropriation

- 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 – Appropriation

	<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.				
			<b>Unit Total:</b>	<b>\$30,178</b>	<b>\$0.0448</b>

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 – Appropriation

- 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 – Appropriation

	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 – Appropriation

	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 – Additional Appropriation

- An *additional appropriation* (“AA”) is a formal process that is used to appropriate money in excess of the certified appropriation for the current budget year. Process is governed by Ind. Code § 6-1.1-18-5.
- There were 1,572 AAs submitted for 3,193 funds in 2019. On average, the Department receives 4.3 AA petitions per day.



# Definitions – Additional Appropriations

- Which additional appropriations must be submitted to and approved by the Department?
  - Any additional appropriation from a fund that is certified by the Department. (Ind. Code § 6-1.1-18-5(b)).
  - Any additional appropriation from a fund that is not certified by the Department must be submitted to the Department, but the Department does not approve these additional appropriations. These are known as “reporting only.”



# Budgets vs. Spending

- 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 Additional Appropriation Procedures

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# Additional Appropriation Procedures

- Ind. Code § 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
- The Department changed the submission, review, and response procedures starting with 2020 Additional Appropriations.



# SBOA Reporting

- The Department may only approve an additional appropriation request for a political subdivision if the political subdivision has electronically filed an Annual Financial Report (AFR) with the State Board of Accounts. Ind. Code § 5-11-1-4.
- The Department may also only approve an additional appropriation for a county, city, town, or township if the county, city, town, or township has electronically filed the following with the State Board of Accounts.
  - 1) Annual Personnel Report (100R) – Ind. Code § 5-11-13-1
  - 2) Nepotism Policy – Ind. Code § 5-11-13-1.1
  - 3) Contracting Policy – Ind. Code § 5-11-13-1.1



# Public Notice

- Under Ind. Code § 6-1.1-18-5, the proper fiscal body of a unit must give public notice of their proposed additional appropriation.
- The notice must state the time and place at which a public hearing will be held on the proposal.
- The public notice must be completed in accordance with Ind. Code § 5-3-1-2(b) – published at least one (1) time, at least ten (10) days before the hearing date.



# Public Notice

- Though not legally required, the public notice should include:
  - 1) Each fund name and number.
  - 2) A categorical breakdown of the proposed additional appropriation for each fund.
  - 3) The total of the proposed additional appropriation for each fund.



# Public Hearing

- Under Ind. Code § 6-1.1-18-5, the proper fiscal body of the unit shall hold the public hearing on the proposal as advertised.
- At the public hearing, an action must be taken to approve, modify, or deny the proposed additional appropriation, as advertised in the public notice.
- The fiscal body should not adopt an additional appropriation exceeding the amount advertised.



# Public Hearing

- If the unit's fiscal body postpones action on the request, the additional appropriation does not have to be re-advertised – provided the postponement of the request is stated publicly and included in the minutes of the correctly advertised meeting, and all requirements of the Open Door Law (Ind. Code § 5-14-1.5) are satisfied.



# Submission to the Department

- The unit must submit the certified copy of the final additional appropriation adopted and any other relevant information to the Department within fifteen (15) days of adoption. Ind. Code § 6-1.1-18-5(e).
- This must be submitted in the manner prescribed by the Department. Ind. Code § 6-1.1-18-5(b).
- If the additional appropriation is not submitted within fifteen (15) days, the Department may require the unit to conduct a readoption hearing. Ind. Code § 6-1.1-18-5(e).



# Overview of Additional Appropriations in Gateway

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# Additional Appropriations - Gateway

A screenshot of the "Indiana Gateway for government units" website. The header features the word "Gateway" in a large blue serif font, with "INDIANA" in a smaller orange sans-serif font above it, and "for government units" in orange below. A small icon of the state of Indiana is on the right. Below the header is a navigation bar with links for Home, About, Account Settings, User Guides, and Logout. The main content area has a heading "Welcome to the Indiana Gateway for Government Units" followed by a paragraph explaining that authorized users can submit forms to various state agencies. Below this is a "Select Application" section with two tables. The first table, under "Department of Local Government Finance (DLGF)", has a row for "New\* Additional Appropriations" which is highlighted with a red box, and a row for "Abstract". The second table, under "State Board of Accounts (SBOA)", has a row for "100R" with a "Jan 31" deadline, and a row for "Annual Financial Report".

INDIANA  
**Gateway** for government units

Home About Account Settings User Guides Logout

## 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](#).

### Select Application

Department of Local Government Finance (DLGF)	Deadline
<a href="#">New* Additional Appropriations</a>	<a href="#">Details</a>
<a href="#">Abstract</a>	<a href="#">Details</a>

State Board of Accounts (SBOA)	Deadline
<a href="#">100R</a>	Jan 31
<a href="#">Annual Financial Report</a>	<a href="#">Details</a>

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



# Additional Appropriations - Gateway

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 State 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.



# Additional Appropriations - Gateway

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.



# Additional Appropriations - Gateway

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:  ←

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



# Additional Appropriations - Gateway

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 checked="" 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.



# Additional Appropriations - Gateway

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 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.



# Additional Appropriations - Gateway

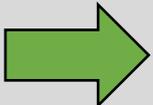
	Example 1		
Advertised Budget (Form 3)	\$100		
Cash Reserves (CYFW)	\$350		
Miscellaneous Revenue (Form 2)	\$0		
Property Tax Levy (Form 4B)	\$0		
Adopted Budget (Form 4)	\$100		

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.



# Additional Appropriations - Gateway

	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.



# Additional Appropriations - Gateway

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	<a href="#">Edit</a>
R902 - Earnings on Investments	19000	<a href="#">Edit</a>
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.



# Additional Appropriations - Gateway

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	<a href="#">Edit</a>
R902 - Earnings on Investments	1000	<a href="#">Edit</a>
<b>Total</b>	<b>\$421,000</b>	

Click to Edit an Existing Revenue

[Click to Add a New Revenue](#)

Click to Add a New Revenue

[Save and Return](#)



# Additional Appropriations - Gateway

- 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 Form 4B.
  2. April 2 to December 31:
    - The CB will default the actual CB certified by the county auditor during the Abstract Certification process.



# Additional Appropriations - Gateway

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:		<input type="text" value="100,000"/>		
Appropriation Reduction:		<input type="text" value="0"/>		
<a href="#">Update</a> <a href="#">Cancel</a>				
9523	LIT Economic Development			<input type="button" value="Edit"/>

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



# Additional Appropriations - Gateway

**Form Signature**

**NAME**  
 \*

**TITLE**  
 \*

**SIGNATURE/PIN**

**DATE**  
 \*

[✔ 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.



# Additional Appropriation Topics



# Transfer of Appropriations

## IC 6-1.1-18-6

**Transfer of money from one budget classification to another**

**Sec. 6. (a)** The proper officers of a political subdivision may transfer money from one major budget classification to another within a department or office if:

- (1) they determine that the transfer is necessary;
- (2) the transfer does not require the expenditure of more money than the total amount set out in the budget as finally determined under this article; and
- (3) the transfer is made at a regular public meeting and by proper ordinance or resolution.

**(b)** A transfer may be made under this section without notice and without the approval of the department of local government finance.

*\*IC 6-1.1-18-6 does not apply to units with departmentalized budgets seeking to transfer appropriations from one department to another.*



# Transfer of Appropriations

- A transfer may be made under Ind. Code § 6-1.1-18-6 without notice and without the approval of the Department.
- For those units that are not departmentalized, it is not necessary to file documentation with the Department on transfers from one major budget classification to another.



# Rainy Day Fund

- Under Ind. Code § 36-1-8-5.1, a political subdivision may establish a rainy day fund via the adoption of an ordinance (county, city, town) or a resolution (other units).
- The purpose of the rainy day fund must be outlined in the unit's establishing ordinance or resolution.
- The source of funding may include unused and unencumbered funds under Ind. Code § 36-1-8-5 or Ind. Code § 6-3.6-9-15, or any other funding source not otherwise prohibited by law.



# Rainy Day Fund

- The rainy day fund is subject to the same appropriation process as other funds that receive property or income tax dollars.
- Transfers to or from the rainy day fund must be reported to the Department, and units must submit to the Department the resolution or ordinance approving the transfer of funds.



# Appropriation Reduction

- Appropriation reductions in the current year have the effect of increasing fund balances available in the ensuing year by officially reducing the appropriation in the current year.
- Reductions may be handled in two (2) ways...



# Appropriation Reduction

- **Option 1:** Reductions may be handled in the same manner as additional appropriations submitted through the Additional Appropriations Application in Gateway. The Certified Copy would still be submitted to the Department.
- **Option 2:** Reductions may also be handled via ordinance or resolution by the appropriate fiscal body. If a unit's fiscal body approves a reduction ordinance or resolution, the ordinance or resolution must be submitted to the Department via upload into the Budget application in Gateway.



# Frequently Asked Questions



# FAQs

## Question 1: What is the deadline for submitting additional appropriations?

- Statute does not currently have a deadline for submissions, but the Department has 15 days to review an additional appropriation. All submissions received before December 16 will be returned by December 31.
- The application will close for the year on December 31. All 2023 additional appropriations will need to be submitted before that time.



# FAQs

**Question 2: I'm not sure if the additional appropriation our fiscal body just approved needs to be approved by the Department. What do I do?**

- Any questions regarding which additional appropriation needs to be approved by the Department or the status of a specific additional appropriation should be routed directly to your [Budget Field Representative](#).



# FAQs

**Question 3: I'm having issues submitting by additional appropriation through Gateway. What do I do?**

- Visit the Department's website:  
[www.in.gov/dlgf/gateway/additional-appropriations/](http://www.in.gov/dlgf/gateway/additional-appropriations/)
- The Department's website includes the Additional Appropriations User Guide, as well as additional training materials and resources for review.



# DLGF Contact Information

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- Fred Van Dorp, Budget Division Director  
(317) 234-3937 | [fvandorp@dlgf.in.gov](mailto:fvandorp@dlgf.in.gov)
- [Budget Division Field Representative Map](#)
  - <https://www.in.gov/dlgf/files/maps/Field-Rep-Map-Budget.pdf>
- [Support@dlgf.in.gov](mailto:Support@dlgf.in.gov)