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# STATE OF INDIANA

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DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH  
100 NORTH SENATE AVENUE N1058  
INDIANAPOLIS, IN 46204  
PHONE (317) 232-3777  
FAX (317) 974-1629

**TO: School Corporations**

**FROM: Fred Van Dorp, Budget Director**

**RE: Capital Projects Plan Template and Notices for Budget Year 2019**

**DATE: May 11, 2018**

Pursuant to IC 20-40-18-6 and IC 20-40-18-7 and in conjunction with the implementation of HEA 1009-2017 and HEA 1167-2018, the Department of Local Government Finance (“Department”) releases this memorandum to clarify the new procedures associated with adopting or amending a capital projects expenditure plan, emergency changes to a capital project expenditure plan, and limitations on expenditures related to capital projects.

If a school corporation wants to use money in the operations fund for expenditures related to capital asset acquisition or expenditures that are capital in nature, the governing body must adopt a resolution approving the plan or amended plan and the school will then submit the adopted resolution to the Department in the manner prescribed by the Department.

All plans must conform to the following stipulations:

- (1) Apply to at least the three (3) years immediately following the year that the plan is adopted;
- (2) Estimate for each year to which the plan applies the nature and amount of proposed capital expenditures from the fund; and
- (3) Estimate:
  - (A) The source of all revenue to be dedicated to the proposed capital expenditures in the upcoming calendar year; and
  - (B) The amount of property taxes to be collected in the upcoming calendar year and retained in the fund for capital expenditures proposed for a later year.

Plans must contain a listing of all proposed expenditures that exceed \$10,000 and are for:

- (1) Capital assets; or
- (2) Projects that are considered capital in nature including technology related projects.

The school corporation shall post the proposed plan or proposed amended plan on the school corporation's website before the hearing, and shall publish a notice of the hearing in accordance with IC 5-3-1-2(b). The governing body must hold a hearing on the adoption of the resolution as follows:

- (1) For a school corporation that has not elected to adopt a budget under IC 6-1.1-17-5.6 or for which a resolution adopted under IC 6-1.1-17-5.6(d) is in effect, the school corporation must hold the hearing and adopt the resolution after January 1 and not later than November 1 of the immediately preceding year.
- (2) For a school corporation that elects to adopt a budget under IC 6-1.1-17-5.6, the school corporation must hold the hearing and adopt the resolution after January 1 and not later than April 1 of the immediately preceding school fiscal year.

The governing body may hold the hearing and include the notice as part of a regular governing body meeting or part of the same hearing and notice for a school bus replacement plan.

If an amendment to a capital projects expenditure plan is being proposed, the governing body must declare the nature of and the need for the amendment in the resolution to adopt the amendment to the plan. The plan, as proposed to be amended, must comply with the requirements for a plan under IC 20-40-18-6 and 7. If the amendment to a plan is necessitated by an emergency, as defined in IC 20-40-18-10, the amendment to the plan is not subject to the deadline and the procedures for adoption described in this section.

If you have any questions on the attached notices or Plan template, please contact your county Budget Field Representative ([http://www.in.gov/dlgf/files/Field\\_Rep\\_Map\\_-\\_Budget.pdf](http://www.in.gov/dlgf/files/Field_Rep_Map_-_Budget.pdf)).