



Chapter 13

Additional Appropriation and Transfer Procedures

An additional appropriation is pursued when a unit needs to spend more from a fund than the certified budget allows. This is not a loan, but a process to justify an increase in expenditures of money you already have but that hasn't previously been appropriated. The Department of Local Government Finance is responsible for the review and approving the submissions from all units.

IMPORTANT NOTICE

The DLGF has updated their submission procedures for additional appropriations. All units are required to submit additional appropriations through an application in Gateway. Additionally, The Department has released updated memos about the updated procedures change. Updated memos can be found at <https://www.in.gov/dlgf/memos-and-presentations/memos/>.

- Additional Appropriation Submission, Department Review Procedures, and Other Related Topics
<https://www.in.gov/dlgf/files/2024-memos/240126-Van-Dorp-Memo-Additional-Appropriation-Submission-Procedures.pdf>

The additional appropriation process is used to appropriate money in excess of the Department's certified appropriations for a unit for the current budget year. Although the fiscal body of a unit and the Department must act on all additional appropriations, approval by the Department is only required for (this is not a complete list, only a sample):

1. Funds that receive revenue from property taxes levied under IC 6-1.1
2. Motor Vehicle Highway ("MVH") Fund (IC 8-14-1-1)
3. Local Road and Street ("LRS") Fund (IC 8-14-2-4)
4. Library Improvement Reserve Fund ("LIRF") (IC 36-12-3)
5. School Education Fund IC 20-40-2
6. Rainy Day Fund (IC 36-1-8-5.1)

For the purposes of additional appropriation requests, all other funds are classified as "reporting only funds". Section 49 of HEA 1427, effective July 1, 2019, clarifies (d) a political subdivision may make an additional appropriation without the approval of the Department if the additional appropriation is made from a fund that is not described above. The fiscal officer of the political subdivision still must report the additional appropriation to the Department, but units will receive an official response for only those funds that the Department reviews and approves (i.e. funds that are on your Budget Order).

All additional appropriations must be submitted to the Department in a timely manner. The deadline for additional appropriation submissions for the 2024 Budget is December 31, 2024.

Please email support@dlgf.in.gov for assistance with finding the forms or Gateway issues. For all other questions, contact [your Budget Field Representative](#).

State Board of Accounts recommends appropriating all grants. If grant monies are receipted into a previously established fund requiring appropriation, the unit must follow the additional appropriation procedures for that fund as outlined herein. If the grant monies are provided by the state or federal government as a reimbursement of an expense made by the unit (IC 6-1.1-18-7.5), the grant monies do not need to be appropriated or reported to the Department by the taxing unit in order to make expenditures. Grant monies must be expended in accordance with the grant budget.

Transfer of Funds to and From the Rainy Day Fund

The Rainy Day Fund is subject to the same appropriation process as other funds that receive property or income tax money.

To establish the Rainy Day Fund requires a resolution. There is an example resolution found on the LDO website at <https://www.in.gov/library/services-for-libraries/ldoresources/resolutions/>.

Under IC 36-1-8-5.1, a county, city, or town may at any time, by ordinance or resolution, transfer to its General Fund or any other appropriated funds money that has been deposited in its Rainy Day Fund. Transfers to or from the Rainy Day Fund must be reported to the Department. Units must submit to the Department the resolution/ordinance from the fiscal body approving the transfer. The resolution/ordinance must include the name of each fund and the amount being transferred out of each fund to the Rainy Day Fund. The Department may not reduce the actual or maximum permissible levy of a unit as a result of a balance in the Rainy Day Fund of the unit.

A taxing unit can transfer unused and unencumbered funds from its General Fund or other property tax levy funds (excluding debt service and other dedicated funds) to the Rainy Day Fund. In addition, other unobligated cash balances from any fiscal year (excluding debt service and other dedicated funds) may also be transferred to the Rainy Day Fund pursuant to an ordinance or resolution that authorizes and identifies the amount, which cannot exceed 10% of the taxing unit's total annual budget for that fiscal year.

SBOA has advised that transfers to the Rainy Day Fund are prohibited from funds receiving dedicated revenues for specific projects or purposes, such as MVH and LRS. Moreover, a balance in a cumulative fund may be transferred to the Rainy Day Fund only if the purpose of the cumulative fund has been fulfilled. In an audit, SBOA would expect the unit to be able to show that the cumulative fund's purpose has been fulfilled. A unit's transfer of funds from a cumulative fund to its Rainy Day Fund would indicate to the Department that the property tax rate for that cumulative fund was no longer needed. Before making an appropriation from the Rainy Day Fund, the fiscal body shall make a finding that the proposed use of the Rainy Day Fund is consistent with the expressed intent of the fund.

Further procedures for Rainy Day Fund are outlined in the State Board of Accounts Manual of Accounting for Public Libraries found online at <https://www.in.gov/sboa/files/Library-Manual-Chapter-4-2021.pdf>.

Resolution to Establish a Rainy Day Fund

WHEREAS, the Board of Trustees of the _____ Public Library (hereafter "Board") finds that the purposes of the _____ Fund has been fulfilled [or list specific multiple funds if applicable]; and,

WHEREAS, there remains in the fund unused and unencumbered funds, and

WHEREAS, I.C. 36-1-8-5 and I.C. 36-1-8-5.1 authorizes the board to transfer such funds, at any time during the fiscal year, to a Rainy Day Fund so long as the amount of funds transferred is not more than 10% of the library's total annual budget for the fiscal year.

NOW THEREFORE BE IT RESOLVED, that the Board does hereby establish a Rainy Day Fund for the following purpose: _____; and

BE IT FURTHER RESOLVED, that sources of funding for the Rainy Day Fund may include unused and unencumbered funds under I.C. 36-1-8-5; funds received under IC 6-3.6-9-15; or any other funding source specified in any future resolution adopted under I.C. 36-1-8-5.1 which is not otherwise prohibited by law; and [modify this clause, or delete, as appropriate for your library]

BE IT FURTHER RESOLVED, that the Board acknowledges that this fund is subject to the same appropriation process as other funds that receive tax money; and

BE IT FURTHER RESOLVED, that the Board hereby transfers the balance of the _____ Fund [or list specific multiple funds if applicable] to the Rainy Day Fund, such transfer being in the amount of \$_____; and

BE IT FURTHER RESOLVED, that the Board will report this transfer to the Department of Local Government Finance.

DULY ADOPTED by the Board of Trustees of the _____ Public Library at its regular meeting held on the _____ day of _____, _____, at which meeting a quorum was present.

NAY

AYE

ATTEST:

Secretary

Transfer of Funds to Library Improvement Reserve Fund (LIRF)

For procedures on transferring funds to Library Improvement Reserve Fund (LIRF) see Chapter 4 found online. To navigate to Chapter 4 visit this webpage at <https://www.in.gov/sboa/political-subdivisions/libraries/>. Then select **Manuals** dropdown and go to **Uniform Compliance Guidelines Manual** and choose Chapter 4 Financial Accounting and Record Keeping Procedures and go to page 4-3 to find LIRF procedures.

LIRF is established by Resolution. The money is not to be set up in a separate bank account. The transfer is authorized by a warrant from the operating fund. The actual transfer may occur at any time but needs to be completed before the appropriation expires at the end of the year.

Note: These samples assume that the governing body of the taxing unit seeking the additional appropriation or reduction is responsible for the approval of the additional appropriation or reduction. If a unit is subject to binding adoption by a separate fiscal body, the following resolution/ordinance and notice samples should be modified to reflect the proper fiscal body taking action.

SAMPLE

ADDITIONAL APPROPRIATION RESOLUTION/ORDINANCE

Whereas, it has been determined that it is now necessary to appropriate more money than was originally appropriated in the annual budget; now, therefore:

Sec. 1. Be it ordained (resolved) by the _____

(Governing Body)

of _____, _____ County, that for the expenses of the

(Taxing Unit)

(County)

taxing unit the following additional sums of money are hereby appropriated out of the funds named and for the purposes specified, subject to laws governing the same:

Fund Name: _____	AMOUNT REQUESTED	AMOUNT APPROVED BY FISCAL BODY
Major Budget Classification:		
Personal Services	\$ _____	\$ _____
Supplies	\$ _____	\$ _____
Other Services & Charges	\$ _____	\$ _____
Township Assistance	\$ _____	\$ _____
Debt Service	\$ _____	\$ _____
Capital Outlays	\$ _____	\$ _____
TOTAL for _____ Fund:	\$ _____	\$ _____

(Repeat for any other funds.)

Adopted this _____ day of _____, 20__.

NAY

AYE

ATTEST:

Secretary of Governing Body

Note: This resolution is only to be used when appropriations are being reduced and you are showing an amount on line D of the Certified Copy.

SAMPLE

APPROPRIATION REDUCTION RESOLUTION/ORDINANCE

Whereas, it has been shown that certain existing appropriations now have unobligated balances that will not be needed for the purposes for which appropriated; now, therefore:

Sec. 1. Be it ordained (resolved) by the _____

(Governing Body)

of _____, _____ County, that the following

(Taxing Unit)

(County)

existing appropriations be reduced in the following amounts:

	AMOUNT OF REDUCTION REQUESTED	AMOUNT OF REDUCTION APPROVED BY FISCAL BODY
Fund Name: _____		
Major Budget Classification:		
Personal Services	\$ _____	\$ _____
Supplies	\$ _____	\$ _____
Other Services & Charges	\$ _____	\$ _____
Township Assistance	\$ _____	\$ _____
Debt Service	\$ _____	\$ _____
Capital Outlays	\$ _____	\$ _____
 TOTAL for _____ Fund:	 \$ _____	 \$ _____

(Repeat for any other funds.)

Adopted this _____ day of _____, 20____.

NAY

AYE

ATTEST:

Secretary of Governing Body

SAMPLE

ADDITIONAL APPROPRIATION & REDUCTION RESOLUTION/ORDINANCE

Whereas, it has been determined that it is now necessary to appropriate more money than was originally appropriated in the annual budget; now, therefore:

Sec. 1. Be it ordained (resolved) by the _____ of _____,
 (Governing Body) (Taxing Unit)

_____ County, that for the expenses of the taxing unit, the following additional sums of
 (County)

money are hereby appropriated out of the funds named and for the purposes specified, subject to laws governing the same:

Fund Name: _____	AMOUNT REQUESTED	AMOUNT APPROVED BY FISCAL BODY
Major Budget Classification:		
Personal Services	\$ _____	\$ _____
Supplies	\$ _____	\$ _____
Other Services & Charges	\$ _____	\$ _____
Township Assistance	\$ _____	\$ _____
Debt Service	\$ _____	\$ _____
Capital Outlays	\$ _____	\$ _____
TOTAL for _____ Fund:	\$ _____	\$ _____

Sec. 2. Whereas, it has been shown that certain existing appropriations now have unobligated balances that will not be needed for the purposes for which appropriated, it is further ordained (resolved) that the following existing appropriations be reduced in the following amounts:

Fund Name: _____	AMOUNT OF REDUCTION REQUESTED	AMOUNT OF REDUCTION APPROVED BY FISCAL BODY
Major Budget Classification:		
Personal Services	\$ _____	\$ _____

Supplies	\$ _____	\$ _____
Other Services & Charges	\$ _____	\$ _____
Township Assistance	\$ _____	\$ _____
Debt Service	\$ _____	\$ _____
Capital Outlays	\$ _____	\$ _____
 TOTAL for _____ Fund:	 \$ _____	 \$ _____

(Repeat for any other funds.)

Adopted this _____ day of _____, 20____.

NAY

AYE

ATTEST:

Secretary of Governing Body

SAMPLE

NOTICE TO TAXPAYERS OF ADDITIONAL APPROPRIATIONS

Notice is hereby given to the taxpayers of _____, _____ County,
(Name of Taxing Unit) (County)

Indiana, that the proper legal officers will consider the following additional appropriations in excess of
the budget for the current year at their regular meeting place at _____, at
(Location)

___ o'clock ___.m., on the ___ day of _____, 20__.

Fund Name: _____	AMOUNT
Major Budget Classification:	
Personal Services	\$ _____
Supplies	\$ _____
Other Services & Charges	\$ _____
Township Assistance	\$ _____
Debt Service	\$ _____
Capital Outlays	\$ _____
TOTAL for _____ Fund:	\$ _____

(Repeat for any other funds.)

Taxpayers appearing at the meeting shall have a right to be heard. The additional appropriations as finally made will be referred to the Department of Local Government Finance (Department). The Department will make a written determination as to the sufficiency of funds to support the appropriations within fifteen (15) days of receipt of a Certified Copy of the action taken.

Dated _____

(Fiscal Officer)

Do not publish the following Instructional Note.

Appropriations to be reduced should be named in the published notice, set out separately, and not co-mingled with the additional appropriations being requested. The resolution/ordinance adopted by the governing body must separately list each appropriation by fund and classification.