

CHAPTER 5
BUDGETS AND APPROPRIATIONS

GENERAL PROVISIONS

The township trustee shall annually prepare a budget for the approval of the township board. The trustee shall present an itemized written statement of the estimated expenditures for the year for which appropriations are asked. IC 36-6-4-11

Budgets must be published two times in each of two (2) newspapers published in the township. If there is only one (1) newspaper published in the political subdivision, then the notice shall be published in that newspaper. If no newspaper is published in the political subdivision, then publication shall be made in a newspaper published in the county and that circulates within the political subdivision. The first publication must be made not less than ten (10) days prior to the date of public hearing. IC 6-1.1-17-3, IC 5-3-1-4

The annual date for adoption of the budget is not later than November 1. IC 6-1.1-17-5

Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing.

Any objection filed against the budget shall be forwarded by the county auditor to the Department of Local Government Finance. IC 6-1.1-17-13

In all cases where the tax rate exceeds the tax limitations as provided by law, the county auditor shall certify the proposed budget, rate and levy to the Department of Local Government Finance for final review and approval. IC 6-1.1-17-10

Additional or emergency appropriations may be made during the year under certain conditions. All additional appropriations shall be limited to revenues available or to be made available which are in addition to and in excess of those revenues anticipated in the original budget, and a showing of such excess revenues must be made before any such additional appropriations may be approved. Additional appropriations may also be made, which are not in excess of the original appropriations, by decreasing an unused and unexpended appropriation or appropriations, in an amount equal to the additional appropriations asked. Additional appropriations must be advertised one (1) time at least ten (10) days before the date of the hearing. IC 6-1.1-18-5; IC 5-3-12(b)

PREPARATION OF THE BUDGET (BASED UPON 1996 FORMS)

Townships should contact the Department of Local Government Finance for all current Budget Forms and procedures.

The Budget Estimate, Form No. 1, must be made in detail. The form is an estimate of expenditures for the ensuing year by appropriation accounts and functions. In Appropriation Account No. 1, General Government, Township Fund, itemize the amounts necessary to be expended during the coming year for: "Personal Services." This would include the salary of the trustee, salary of clerical assistance, pay of the township board employee benefits and any other items of a personal service nature. The total of items "A-C" is the amount needed in Appropriation Account No. 1, General Government. In Appropriation Account No. 2, General Government, itemize the amounts necessary for "Supplies." This would include office supplies such as record books, stationary, printing, operating, repair and maintenance supplies and other supplies. The total of items "A-D" would be the amount necessary for Appropriation Account No. 2, General Government. Appropriation Account No. 3, General Government, is the amount necessary for "Other Services and Charges." This would include legal services, travel expenses, telephone tolls and telegrams, certain printing and advertising, insurance, official bonds, repairs and maintenance rentals, cemetery care

and any other item you feel should be included. The total of items "A-I" is the amount necessary for Appropriation Account No. 3, General Government. Appropriation Account No. 4, General Government, is the amount necessary for "Capital Outlays." This would include purchases of land, buildings and machinery and equipment. The total of items "A-C" is the amount necessary for Appropriation Account No. 4, General Government. The sum of the totals of "1-4" is the amount necessary for Township Fund, General Government expenditures.

No appropriation is necessary in the Dog Fund. In the appropriation for Township Bond Fund, itemize the amounts necessary for: (1) Bond principal to be paid in the fiscal year, and (2) interest due this fiscal year on township bonds; also total the itemizations (1) and (2) for the total amount necessary to be appropriated in the Township Bond Fund.

The appropriation for the Firefighting Fund is for expenditures for fire protection or emergency services.

There is only one function of the fund, Public Safety. Appropriation Account No. 1 is the amount necessary for "Personal Services". This would include salaries and wages of firemen, employee benefits and other personal services. The total of items "A-C" is the amount necessary for Appropriation Account No. 1. Appropriation Account No. 2 is the amount necessary for "Supplies." This would include any supply items such as operating and repair and maintenance. The total of items "A and B" is the amount necessary for Appropriation Account No. 2. Appropriation Account No. 3 is the amount necessary for "Other Services and Charges." This would include contractual payments for fire protection, automobile expenses, clothing allowances, insurance, rentals and other applicable expenses. The total of items "A-F" is the amount necessary for Appropriation Account No. 3. Appropriation Account No. 4 is the amount necessary for "Capital Outlays." This would include payments for the purchase of capital items such as land, buildings and equipment. The total is the amount necessary for Appropriation Account No. 4. The sum of the totals of "1-4" is the amount necessary for the Firefighting Fund.

The appropriation for the Recreation Fund is to be estimated if the township has established a Recreation Fund and tax rate to fund it. If the township has a Recreation Fund, you must estimate your expenditures as was done for the Township Fund and Firefighting Fund. Appropriation Account No. 1 is the amount necessary for "Personal Services." This would include any salaries, wages and employee benefits. Appropriation Account No. 2, is the amount necessary for "Supplies." This would include any items of supply such as operating and repair and maintenance. Appropriation Account No. 3 is the amount necessary for "Other Services and Charges." This would include any contractual arrangements, insurance, rentals, and any other items of like nature. Appropriation Account No. 4 is the amount necessary for "Capital Outlays." This would include payments for purchase of capital items, such as land, buildings and equipment. The sum of the totals of "1-4" is the amount necessary for the Recreation Fund.

After Form No. 1 has been completed, the totals are to be entered under the appropriate funds, Budget Estimate column, on Form No. 3. The total of appropriation accounts inclusive are entered in the Township Fund. The total of appropriations are to be entered in the Township Bond (Debt Service) Fund, and the total of appropriations are to be entered in the Firefighting Fund, etc.

Form No. 1, Township Assistance Estimate, is to be entered on Form No. 1 only. The township assistance is advertised and the rate therefore is fixed by the township. However, the township trustee must estimate township assistance expenditures on Form No.1, and the township board must make appropriations therefore on Form No. 4. Township assistance expenditures are divided into three classifications, Welfare Administration, Direct Assistance and Other Assistance.

Under "Welfare Administration," Item No. 1, "Personal Services." On Form No. 1, list the number of employees under each title or class and the annual salaries of such employees. Under Item 2, "Supplies," estimate the necessary expenditures for office supplies, operating supplies, repair and maintenance supplies and any other item of supply expense. Item 3, "Other Services and Charges," estimate legal services, travel expenses, insurance rentals and other similar items. Item 4, "Capital Outlays," estimate expenditures such as office equipment.

Under "2 - Direct Assistance" Medical, Hospital, and Burial, estimate the necessary expenditures for: (a) services of physicians, dentists, and opticians; (b) services of surgeons; (c) prescriptions; (d) hospital expenses (exclusive of surgeons); (e) burials and ambulance service; (f) expense of inmates in the county home; and (g) other. Also under "Direct Assistance," Other Direct Relief, estimate the necessary expenditures for: (a) food and household supplies; (b) clothing and shoes; (c) shelter; (d) fuel; (e) public utility service; (f) school books; and (g) transportation and moving (including deportation); and other items not specifically mentioned in items "A to G." Under "3 - Other Assistance" estimate the necessary expenditures for other items not covered above.

Budget Form No. 2, "Estimate of Miscellaneous Revenue" is self-explanatory. All anticipated miscellaneous revenue receipts must be listed on this form by fund, and the totals carried to the appropriate columns on lines 8a and 8b of Form No. 4B.

Budget Form No. 3 is a summary by fund of Form No. 1 and No. 2. The form shows the amount to be raised in each fund for the ensuing year. The form must be published and the hour of the meeting of the township board may be added and so published.

On line 1 of Form No. 4B insert the amounts necessary to be expended by funds for the incoming year. On line 2, list the amounts necessary to be spent from unexpended appropriations of the current year in each fund from July 1 to December 31 of the current year. Do not list the total amount of unexpended appropriations of the current year, but list the amounts necessary to be spent from such unexpended appropriations. Complete lines 3, 4, and 5 which are self-explanatory. On line 6, insert the actual balances by funds on June 30. Be sure that your books are balanced and reconciled with the bank on June 30, and that all memorandum accounts (the "M" columns) are closed out. On line 7, estimate the amount of taxes to be collected in the December Settlement for each fund. On line 8a and 8b, list the special taxes and all other revenue to be received according to the schedule of miscellaneous revenue, Budget Form No. 2. Complete the other lines on Form No. 4B (which are self-explanatory) and compute the tax rate by funds. The county auditor is required to certify to the township trustee the net taxable property in the township, the estimated December Tax Distribution, Building and Loan Taxes, and Vehicle Excise Tax.

Budget Form No. 4 is the "Certificate of Appropriations" by funds and must be approved and signed by the township board. The Certificate of Appropriations must also be recorded in the township board record.

Budget Form No. 4B is the Budget Estimate-Financial Statement-Proposed Tax Rate to be prepared for each fund that requires either a tax rate or an appropriation.

Budget Form No. 5 is the "Budget Submission Letter and Certificate" and "Certificate of Tax Rates" and must be signed and approved by the township board and the trustee.

Budget Form No. 7 is "Township Assistance Fund Comparative Statement." List on this form the actual expenses for the past two years and from January 1 to June 30 of the present year, all township assistance expenditures for administration, direct assistance, and other assistance. Also list estimated expenditures from July 1 to December 31 of the present year and total estimate for the present year; also total estimated expenditures for the incoming year. Under "Administration" include the salaries of all employees engaged in the administration of township assistance. Also include travel expense allowed for all investigators, stationery, supplies, and other items necessary for the operation of the relief office. Under "Direct Assistance" include the estimate for all medical, hospital and burial expense; also all direct relief such as food, fuel, clothing, water, shelter, etc. Under "Other Assistance" include an estimate for such other expenses as are necessary.

Four copies of Budget Forms No. 1 to 5 and 7 should be prepared, one for the trustee's office, one for the township board, and two copies to be filed with the county auditor for the county tax adjustment board. Form No. 3 is the only budget form required to be published, and two additional copies of this form should be prepared for the printers. Form No. 3 must be published twice in each of two newspapers. Form 4B is a worksheet and is not to be published.

BUDGET AND TAX RATE CALENDAR

The following calendar concerning dates for budgets and the establishment of tax rates may prove helpful:

	<u>Legal Reference</u>
1. Last date for first publication of township budgets - ten (10) days prior to the public hearing.	IC 6-1.1-17-3
2. Last date for second publication of township budgets - three (3) days prior to the public meeting.	IC 6-1.1-17-3
3. Public hearing on proposed budget - at least ten (10) days prior to adoption of budget. Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing.	IC 6-1.1-17-3 IC 6-1.1-17-5
4. The township board shall meet each year to fix the budget, tax rate, and tax levy not later than November 1 with notice given by the township trustee.	IC 6-1.1-17-5
5. Meeting of County Board of Tax Adjustment. (IC 6-1.1-29-4) Each County Board of Tax Adjustment, if applicable, shall hold its first meeting of each year on September 22 nd or on the first business day after September 22 nd if September 22 nd is not a business day. See Public Law 224, 2007 concerning County Board of Tax and Capital Project Review Boards.	IC 6-1.1-29-4
6. Last date on or before which all duties of the County Board of Tax Adjustment must be completed - November 1.	IC 6-1.1-17-9

Ten (10) or more taxpayers or one (1) taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision may initiate an appeal from the county board of tax adjustment's or county auditor's modification of a political subdivision's budget, tax rate, or tax levy by filing a statement of their objections with the county auditor. The statement must be filed not later than ten (10) days after the publication of the notice required by section 12 of this chapter. The statement shall specifically identify the provisions of the budget, tax rate, or tax levy to which the taxpayers object. The county auditor shall forward the statement, with the budget, to the department of local government finance.

SUMMARY OF ADDITIONAL APPROPRIATION PROCEDURES:

1. Notice to Taxpayers is published at least ten (10) days prior to the taxing unit's public meeting on the proposed additional appropriation.
2. Public meeting is held on the date and time as advertised. Resolution/Ordinance is passed.
3. Appropriations that require DLGF approval are reviewed by the Department to insure that funds are available.
4. For all funds that are "Reporting Only", the unit must report the fund and amount appropriated to the Department of Local Government Finance.
5. The Department of Local Government Finance (DLGF) issues a written determination on appropriations requiring approval within fifteen (15) days of receipt. The deadline to submit additional appropriation requests to the DLGF is **December 15**. Appropriations are available for use upon receipt of DLGF approval.
6. If appropriations are denied, the unit may request within fifteen (15) days specific reconsideration of determination by the DLGF.
7. The DLGF will respond to a reconsideration request within 15 days of receipt.

A township may request a reconsideration of a determination of the Department of Local Government Finance under this section by filing a written request for reconsideration. A request for reconsideration must: (1) be filed with the Department of Local Government Finance within fifteen (15) days of the receipt of the determination by the political subdivision; and (2) state with reasonable specificity the reason for the request. The Department of Local Government Finance must act on a request for reconsideration within fifteen (15) days of receiving the request.

TRANSFER OF APPROPRIATION (WITHIN A FUND)

If the proper legal officers of any township determine that it is necessary to transfer an appropriation from one major budget classification to another, the transfer of appropriation is made by resolution of the township board of the township at a regular public meeting. We are not aware of a statutory requirement to publish notice of transfer. Approval by the Department of Local Government Finance is not necessary.