

Indiana

Department of Local Government Finance



Committed to a fair and equitable property tax system for Hoosier taxpayers.

Budget Cycle and Forms Overview

May 2016 & June 2016



Budget Process

- Prepare budget.
- Advertise "Notice to Taxpayers."
- Public hearings.
- Non-Binding County Fiscal Body Recommendation.
- Adoption.
- Submission to Department via Gateway.
- Department certifies budget, rate, levy, and issues a final budget order on or before February 15.



What are Budget Workshops?

- A meeting with your Budget Field Rep where you bring financial information and the Department can:
 - Work through several budget forms.
 - Help ensure timely public and adoption meetings.
 - Answer budget questions.
- Most non-school units have the opportunity to have many of the more difficult forms uploaded into Gateway.



What to Bring to Budget Workshops

- Financial report or ledger totals for first six months expenditures broken down by fund.
- List of encumbrances.
- Cash balance as of June 30 for each fund.
- Any investments.
- Any Reduction Ordinances/Additional Appropriations done the first 6 months or planned for the second 6 months.
- Completed and totaled Form 1's (next year's budget) for each fund.



What to Bring to Budget Workshops

- Completed Form 2's (revenue estimates) for each fund or Financial Report of revenues.
- Amortization Schedules (units with debt).
- Confirmed public hearing and adoption dates along with times of each meeting.
- The address of the office and meeting locations.



A Note about the Budget Forms

- The Department is implementing updates to the budget forms to account for Senate Enrolled Act 321.
- SEA 321 makes a variety of changes to the budget process. Most immediately:
 - Units will receive max levy and circuit breaker estimates from the Department in July.
 - Units must consider Net Property Tax Revenue when formulating budgets.
- SEA 321 guidance related to the budget forms will be released in the weeks ahead.



Debt Management

- All taxing units must submit their annual “Debt Affirmation” by March 1st.
- New debt must be submitted in Gateway’s Debt Management within 30 days of closing.
- Anticipated debt must be closed on by December 31st of the current year to be eligible for a property tax levy.

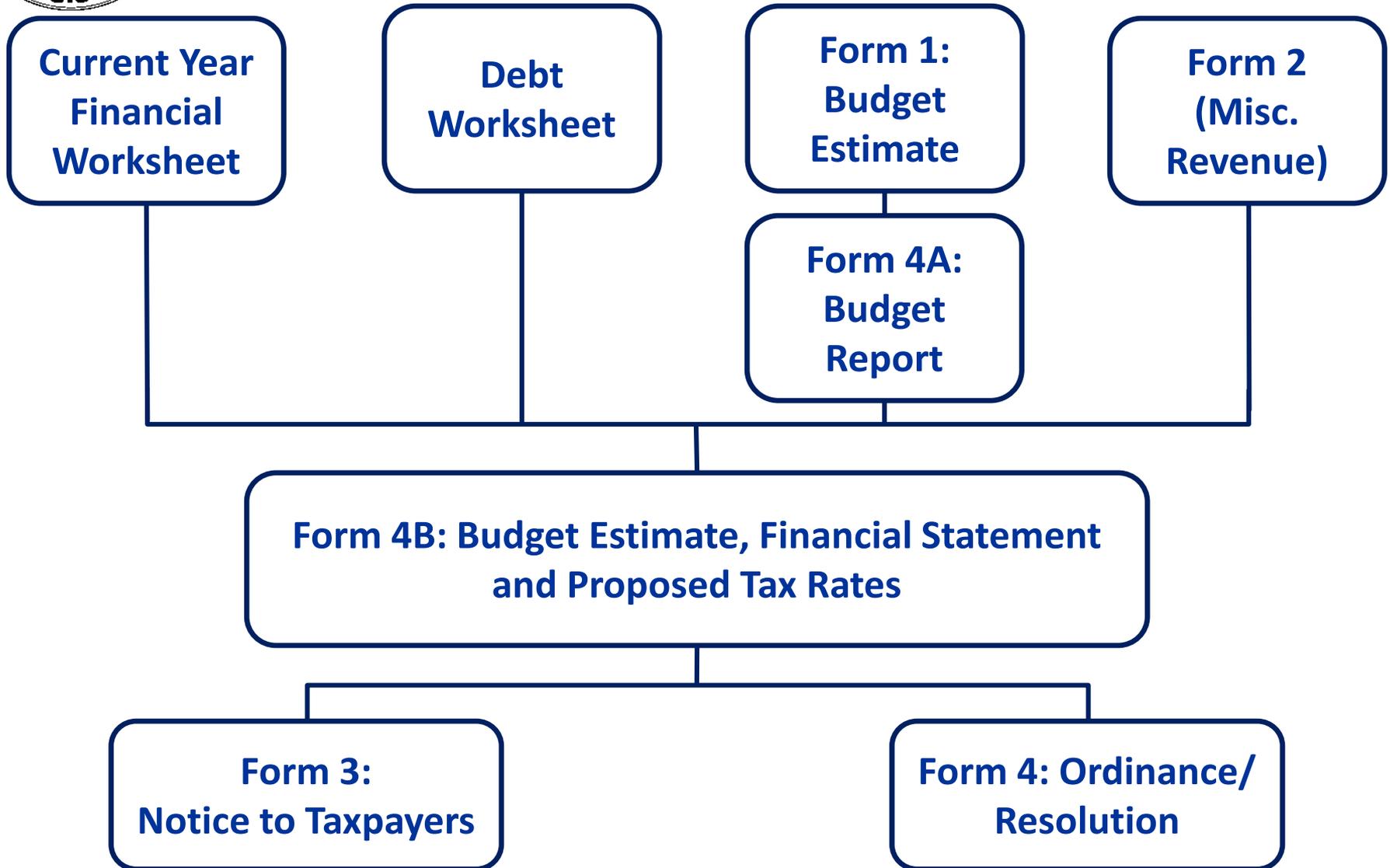


Debt Management

- The Debt Worksheet is populated by linking Debt Management's debt reports to debt funds in the Budget Program.
- Linkages between Debt Reports and the Debt Worksheet rollover from the previous year.
- Please contact the DLGF Gateway Support Team if you need assistance adding, linking, or correcting a debt.



Budget Forms – Flow Chart





Form 3: Notice to Taxpayers

- Advertised online by submitting Form 3 in Gateway at least 10 days before public hearing.
- SEA 321-2016 eliminated the requirement that the Form 3 be submitted before September 14.
- At least 10 days between public hearing and adoption.



Form 3: Notice to Taxpayers

- 10 or more taxpayers can file an objecting petition within 7 days of the public hearing.
- If there are any objections, the fiscal body of the political subdivision must adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.



Form 3: Notice to Taxpayers

- Question to be answered when completing the Form 3:
 - Has the territory of the unit changed?
 - Annexations
 - Extensions of Services
 - This question will impact how the unit is handled for the purposes of online ads.

Most non-school units can have this form uploaded into Gateway at budget workshops



Form 3: Notice to Taxpayers

- Deadlines
 - Public Hearing no later than Oct. 22.
 - Adoption Meeting no later than Nov. 1.
 - Dates subject to change due to non-business days.
Review the annual budget calendar for official dates.
- Required Information to be advertised
 - Date, time, and location of public hearing and adoption meeting.
 - Estimated maximum levy and circuit breaker impact.
 - Fund name, budget estimate, fund levy, excessive levy appeal, and current fund levy.



Budget Form 3

Form 3 must be submitted at least 10 days before the public hearing.

Current Year Financial Worksheet: Additional Calculations for Form 4B	⚠
Debt Worksheet	⚠
Form 1: Budget Estimate	⚠
Form 2: Estimate of Miscellaneous Revenues	⚠
Form 3: Notice to Taxpayers	⚠
Click to edit form	Click to submit completed form to DLGF

Submit to fulfill online advertising →

Form 3: Notice to Taxpayers	✓
Click to view form	✓ This form has been submitted.



Notice to Taxpayers (Form 3)

- Upon submission of the Notice to Taxpayers, the Notice is immediately made available on <http://BudgetNotices.in.gov>.
- Taxpayers can search for budget notices by address or by county.



Budget Form 4 (Adoption)

ORDINANCE OR RESOLUTION FOR APPROPRIATIONS AND TAX RATES

Be it ordained/resolved by the **GrassyFork Township Board** that for the expenses of **GRASSY FORK TOWNSHIP, Jackson County** for the year ending December 31, **2016** the sums herein specified are hereby appropriated and ordered set apart out of the several funds herein named and for the purposes herein specified, subject to the laws governing the same. Such sums herein appropriated shall be held to include all expenditures authorized to be made during the year, unless otherwise expressly stipulated and provided for by law. In addition, for the purposes of raising revenue to meet the necessary expenses of **GRASSY FORK TOWNSHIP, Jackson County**, the property tax levies and property tax rates as herein specified are included herein. Budget Form 4-B for all funds must be completed and submitted in the manner prescribed by the Department of Local Government Finance.

This ordinance/resolution shall be in full force and effect from and after its passage and approval by the **GrassyFork Township Board**.

Name of Adopting Entity / Fiscal Body	Type of Adopting Entity / Fiscal Body	Date of Adoption
GrassyFork Township Board	Township Board	09/24/2016

DLGF-Reviewed Funds

Fund Code	Fund Name	Adopted Budget	Adopted Tax Levy	Adopted Tax Rate
0101	GENERAL	\$22,150	\$9,600	0.0216
0840	TOWNSHIP ASSISTANCE	\$4,800	\$6,000	0.0135
		\$26,950	\$15,600	0.0351

Name		Signature
Craig Klinge	Aye <input type="checkbox"/> Nay <input type="checkbox"/> Abstain <input type="checkbox"/>	
Jeanette Elliott	Aye <input type="checkbox"/> Nay <input type="checkbox"/> Abstain <input type="checkbox"/>	
Stan Darlage	Aye <input type="checkbox"/> Nay <input type="checkbox"/> Abstain <input type="checkbox"/>	



Budget Form 4 (Adoption)

- Budget Form 4 – Adoption Ordinance/Resolution
 - Fiscal body adopts the Form 4, approving budgets, tax levies, and tax rates.
 - Budgets, tax levies, and tax rates for all funds must be listed.



Budget Form 4 (Adoption)

- Adoption date should be the same as shown on Form 3.
- Attestation line applies only to counties, cities, and towns. Mayor Action line only applies to cities.
- The voting members must mark their vote and sign the Form 4.
- After adoption the signed Form 4 must be scanned and uploaded into Gateway.



Upload Signed Form 4

Select "Form 4"

Submit File

Select file type: Signed Budget Ordinance/Resolution (Form 4) Enter description for 'Other':

Enter a Description: Form 4

Select File to Upload: Browse... No file selected.

Upload File

Enter Description

Select browse to locate your document

- Within 48 hours of adoption, the Signed Form 4 needs to be scanned and uploaded into Gateway.
- The same 48 hour timeline applies to submitting the remaining budget forms in Gateway.

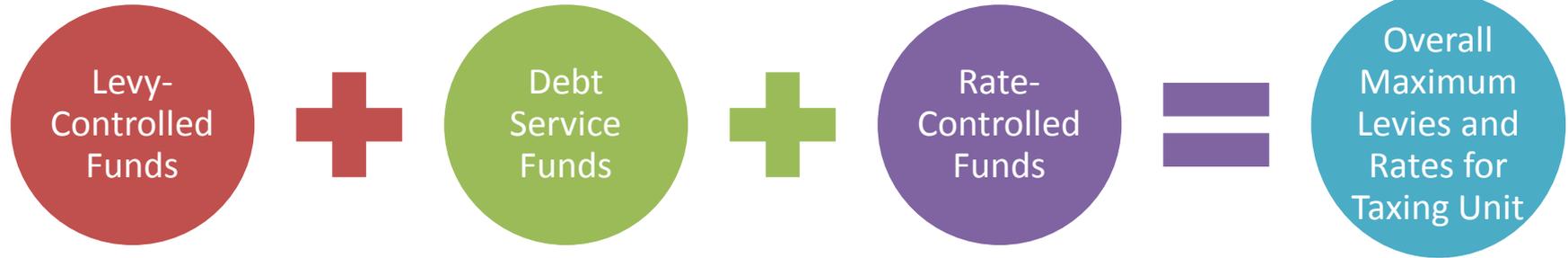


July 14 – Estimate of Maximum Levies

- Starts in 2016 for Budget Year 2017.
- Before July 15, the Department shall provide to each taxing unit an estimate of the unit's maximum permissible property tax levies for the ensuing year. (IC 6-1.1-18.5-24)
- The Department's estimates shall provide guidance on calculating allowable levy adjustments.



Maximum Levy Calculations



By July 14, the Department provides an estimate of the maximum levy and applicable levy adjustments.

By July 14, the Department provides an estimate of property tax levies needed for debt service funds.

By July 14, the Department provides an estimate of maximum property tax rates for cumulative funds.



July 31 – Circuit Breaker Estimates

- Starts in 2016 for Budget Year 2017.
- Before August 1, the Department shall provide each taxing unit an estimate of the amount by which the taxing unit's property tax distribution will be reduced by circuit breaker credits in the ensuing year. (IC 6-1.1-20.6-11.1)
- The Department shall use the best available assessed value data and maximum levy estimates.



August 1 – Certification of Net Assessed Values

- On or before August 1, the county auditor shall submit a certified statement of assessed value to the Department in the manner prescribed by the Department. (IC 6-1.1-17-1)
 - This is the same deadline as currently exists.
- The Department shall make the certified net assessed values available on Gateway.



August 1 – Auditor’s Certificate

- Starts in 2016 for Budget Year 2017.
- SEA 321-2016 eliminated the requirement for the county auditor to provide to each taxing unit in the county an “Auditor’s Certificate”.
 - The Auditor’s Certificate provided taxing units with estimates of miscellaneous revenues.
 - These estimates will now be provided by the Department instead of the county auditor.



County Council Review

Unit
Levies and
Rates

Unit Level
Circuit
Breakers

County
Council
Review





County Council Review

- Starts in 2016 for Budget Year 2017.
- The previously existing version of County Council Review has been eliminated.
 - Includes elimination of penalties associated with failure to submit to the county council or failure of the county council to correctly complete the review process.



County Council Review

- Starts in 2016 for Budget Year 2017.
- At the first meeting of the county fiscal body in August, the county fiscal body shall review the estimated levy limits and estimated circuit breaker impacts provided by the Department. (IC 6-1.1-17-3.6(a))
- The county fiscal body may request that representatives from the taxing units in the county attend the meeting. (IC 6-1.1-17-3.6(b))



County Council Review

- The county fiscal body must allow a representative of a taxing unit to comment on the taxing unit's proposed budgets, levies, and tax rates. (IC 6-1.1-17-3.6(c))
- After the meeting, the county fiscal body may prepare and distribute written recommendations to the county's taxing units. If written recommendations are not prepared, the minutes of the meeting shall be distributed by the county auditor. (IC 6-1.1-17-3.6(d))



November 1 – Budget Adoption

- Starts in 2016 for Budget Year 2017.
- When planning next year’s budget, the political subdivision must consider the “net” property tax revenue that will be collected during the ensuing year.
- This “net” revenue takes into account the Department’s estimates of circuit breaker impacts. (IC 6-1.1-17-3(a))



November 1 – Budget Adoption

- Taxing units will start to adopt “net budgets” or “post-circuit breaker budgets”.
- The amount fundable by the net property tax levy and other miscellaneous revenues.
- In the long-term, the Department intends to redo its current Fund Report (Form 4B or 16-Line Statement) to account for this change.
- For Budget Year 2017, the Department will provide guidance to units on how to complete the forms.



Department Budget Review

- Starts in 2016 for Budget Year 2017.
- For debt service funds and rate-controlled funds (cumulative funds), the Department will complete a similar level of budget review as currently exists.
- For levy-controlled funds, the Department's level of review will be contingent on the budgets and levies adopted by the local governments.
- IC 6-1.1-17-16



Department Budget Review

- Three-prong test:
 - Adopted levies exceed estimated maximum levies.
 - Same level of budget review as currently exists (budgets, revenues, levies, rates).
 - Adopted levies are within estimated maximum levies, BUT budgets are not fundable.
 - Same level of budget review as currently exists.
 - Adopted levies are within estimated maximum levies AND budgets are fundable.
 - Shortened budget review (levies and rates).
 - Adopted budgets and revenues accepted.



QUESTIONS??



Resources

- User Guides
- Information Icons 
- **You**  Training Videos
 - www.youtube.com/user/DLGFgateway
 - DLGF Memos (Budget Calendar and more!)
 - www.in.gov/dlgf/2444
- Email
- Call



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Contact the Department

- 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)
- Gateway: gateway@dlgf.in.gov
- Telephone: (317) 232-3777
- Toll Free: (888) 739-9826
- Website: www.in.gov/dlgf
- “Contact Us”: www.in.gov/dlgf/2338.htm