

## Chapter 17

# Department of Local Government Finance (DLGF) and the Budgeting Process

### Department of Local Government Finance

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### The Role of the Department of Local Government Finance

- To prescribe the property tax forms and returns that taxpayers are to complete and on which the taxpayers' assessments will be based.
- To prescribe the forms to be used to give taxpayers notice of assessment actions.
- To adopt rules concerning the assessment of tangible property.
- To develop specifications that prescribe state requirements for computer software and hardware to be used by counties for assessment purposes. The specifications developed under this subdivision apply only to computer software and hardware systems purchased for assessment purposes after July 1, 1993.
- To promulgate rules which are related to the duties or the procedures of the board.

### Budgeting Process

- **Who is in charge of the establishing the budget?**

Your library board is legally responsible for establishing the library's budget and for practicing good fiscal management. Often, however, much of this responsibility is delegated to the library director.

As a new library director, one of your first jobs should be to find out how much you will be involved with the fiscal management of the library. Here are some questions that you should ask your library board:

- **What is the library's budget for this year?**  
Get a copy!
- **Who receives the bills and verifies that the goods or services charged for have been received?**

- **Who assigns the bills to budget categories?**
- **Who prepares the monthly financial statement?**
- **If you are responsible for preparing the financial statement, what format should you use?**
  - Are there computer programs/forms that are set up for this purpose?
- **Who prepares and signs the check?**
  - In Indiana the library director is not allowed to sign library checks
- **If the fiscal management is handled by someone other than the staff, how is the staff kept informed of the library's financial status?**
- **Is there a limit set on the size of expenditures that can be made by the staff without board pre-approval?**
  - This should be part of the public purchasing policy

You will need to find out how the library board does its budget. Does the board ask you to present a draft budget, or does it have a budget committee of its own members? It is vitally important that you as the library director have input into the budget, as you will know the day-to-day operation of the library better than any other person.

Once you know what the library board wants to do in the next year, you can begin to develop cost figures. You will need to gather cost information from a variety of sources, such as the present year's expenditures, catalogs, information on utility rates and the cost of living rate that appears in newspapers and other sources, and information you gather from service vendors.

Remember that in budgeting you are making a series of educated guesses. The more information you have, the better your guesses will be.

### **Budget Process Timeframe**

The budget process involves following a set timetable required by law. Each year the Indiana State Library, Department of Local Government Finance, and State Board of Accounts host a "Budget Workshop."

In the handouts from that workshop is a budget calendar that must be followed. All libraries are encouraged to attend this workshop, usually held in May.

The general timeframe is:

- May** Budget Workshops, usually held 2 times and broadcast to the video sites in Indiana. These workshops are presented by the State Board of Accounts, the Department of Local Government Finance, and the Indiana State Library. The Department of Local Government Finance offers a special workshop in each county for libraries. If a library is unable to attend the assigned workshop, a workshop in another county can be attended.
- June - July** Preliminary work on the budget by board and librarian. Library is notified by the Department of Local Government Finance through the County Auditor of its maximum permissible levy. Department of Local Government Finance Field Representative sets up an appointment to meet with each taxing unit in the county.
- September 9** Last date for first publication of budget and tax rate (at least 10 days prior to the Public Hearing date) (I.C. 36-12-3-12(b)(1))
- September 15** Last date to submit budget to fiscal body (14 days before adoption hearing) (IC 6-1.1-17-3.5)
- September 17** Last date for second publication of budget and tax rate (at least 3 days prior to public hearing and at least one week after the first publication) (I.C. 5-3-1-2)
- September 19** Last date to file an excessive levy appeal with the Department of Local Government Finance.
- September 20** Last date for public hearing held by the library board (at least 10 days prior to adoption of the budget) (I.C. 6.1.1-17-5(a)) Sometimes library board members think they do not need to attend this hearing. This hearing **IS** their responsibility. The entire board should be present, if at all possible. A quorum **MUST** be present!
- September 30** Last date to adopt budgets and tax rates (by law, not later than September 30 of any year, (IC 36-12-3-12(b)(2)).
- October 2** Last date to file all budget forms with county auditor. You need to get your budget forms to the county auditor 2 days after they are adopted, if you go with an earlier timetable. If taxpayers objecting to the budget file a petition, the library board shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the

adoption hearing. These findings must also be included with all the forms submitted to the county auditor.

**October 10**

Last date for ten or more taxpayers to file an objection petition with the public library board. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object. (The petition must be filed not more than seven (7) days after the hearing, (IC 6-1.1-17-5(b))

**After October 1**

The county auditor posts notice and publishes rates immediately. Within 10 days after the county auditor publishes the rates, the library board must file an appeal petition with the county auditor if it wishes to appeal the action of the board of tax adjustment. (10 or more taxpayers may also file an appeal with auditor within 10 days following the publication of the rates.)

**From September 29 through October 17**

The Department of Local Government Finance (DLGF) will hold public hearings. The DLGF will notify the county auditor when the hearings will be conducted and the county auditor will publish the notice of the hearings. The information may also be secured directly from the county auditor late in September. It is important that the librarian and one or more members of the library board be present at the hearings of the DLGF in order to answer questions that may be asked about the budget.

**February 15**

The Department of Local Government Finance has until this date each year to certify the library's final appropriations (budget), tax rates and levies.

**Fiscal Review Above Average Growth Quotient**

If the budget increase is higher than the average growth quotient then library shall submit proposed budget to appropriate fiscal body at least 14 days before the appropriate fiscal body is required to hold budget approval hearings, approximately September 16, 2008. (I.C. 6-1.1-17-20, as amended by P.L. HEA 1001-2008 Section 163).

**Things to Remember**

- Make sure that all forms needing signatures have been signed at the appropriate time.
- Make sure that you follow the proper number of days between each step.
- If a petition is filed by taxpayers objecting to the budget, the library

board **shall** adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing. All of this must be in writing.

- When the county auditor publishes the rates, you should compare the published rates with the amount you turned in to the auditor. If there is an error or if the County Board of Tax Adjustment has changed your rate, you only have 10 days to appeal. The library board must file the appeal petition with the Department of Local Government Finance, Indiana Government Center North, Rm. N1058, 100 North Senate Avenue, Indianapolis, IN 46204.

**Handouts in this chapter that can be found on a website:**

Definitions of Budget Classifications

<http://www.in.gov/library/files/workshopdef.pdf>

Budget Calendar <http://www.in.gov/dlqf/files/BudgetCalendar.pdf>

Budget Preparation [http://www.in.gov/library/files/workshopbudget\\_prep.pdf](http://www.in.gov/library/files/workshopbudget_prep.pdf)

Publication of Budget Notice to Taxpayers and Public Notice Errors (on last page) [http://www.in.gov/library/files/workshoppub\\_not.pdf](http://www.in.gov/library/files/workshoppub_not.pdf) and <http://www.in.gov/library/files/workshopErrors.pdf>

Operating Balance <http://www.in.gov/library/files/workshopopbal.pdf>

Excessive Levy Appeals for Libraries

[http://www.in.gov/library/files/2009\\_Excessive\\_Levy\\_Appeal\\_Memo.pdf](http://www.in.gov/library/files/2009_Excessive_Levy_Appeal_Memo.pdf)

Financial Glossary of Terms to Know

[http://www.in.gov/library/files/Financial\\_glossary\\_of\\_terms\\_to\\_know.pdf](http://www.in.gov/library/files/Financial_glossary_of_terms_to_know.pdf)

Library Budget Approval Flow Chart

<http://www.in.gov/dlqf/files/LibraryBudgetApprovalFlowChart.pdf>

Library Debt for Capital Projects Flow Chart

<http://www.in.gov/dlqf/files/LibraryDebt-for-CapitalProjectsFlowChart.pdf>