






BUDGET & LEVY

General Administrative Duties of Highway Commissioners



BUDGET, APPROPRIATION, AND LEVY

- Budget
 - Your guess at income and expenditures for fiscal year
- Appropriation
 - Designating of money for particular uses
- Levy
 - Asking for your share of property tax revenues for the upcoming fiscal year



BUDGET



WHY BUDGET

- Meet the Upcoming Needs of the Township
- Meet the Needs of the Public
- Develop Goals and Objectives
- Required
 - Highway Code (605 ILCS 5/6-501)
 - IL Municipal Budget Law (50 ILCS 330)
- Does Not Include MFT Funds



BUDGET & APPROPRIATION ORDINANCE PROCESS

- Document Providing Authority to Expend Funds
- Outline the Upcoming Needs of the Road District
- Funds May Not Be Spent if Not in the Budget
- Adopt a budget “within or before” end of first quarter of fiscal year
 - Before July 1
- This budget must contain “estimates”
 - Income from all sources and expenditures



BUDGET & APPROPRIATION ORDINANCE PROCESS

- Step 1: Tentative Budget and Appropriation
 - Highway Commissioner Prepares
 - At Least 30 Days Prior to Public Hearing
 - File With Township Clerk



TENTATIVE BUDGET

- Illinois Department of Commerce and Economic Opportunity (DCEO)
 - Responsibility for creating forms
- www.toi.org
 - Resource-Download Center-Road District Forms
- Use these forms and create your tentative budget
 - Work with others if unsure (CPA, attorney, supervisor, other highway commissioners)



	2011-2012 Actual	2012-2013 Actual	2013-2014 Budgeted
GENERAL ROAD FUND			
BEGINNING BALANCE			
REVENUES			
111 Property Tax Net			
142 Registration Tax			
201 Court Fees			
274 Maintenance Fees			
281 Interest Income			
282 Rental Income			
289 Miscellaneous Income			
TOTAL REVENUES:			
TOTAL FUNDS AVAILABLE:			
EXPENDITURES			
6-11 Administration			
6-45 Maintenance			
TOTAL EXPENDITURES:			
Contingencies			
TOTAL APPROPRIATIONS:			
ENDING BALANCE			

POINTERS ON DCEO FORMS

- Cover page is the “ordinance” explaining the need
 - “Actual” columns help you and taxpayer monitor past
- Rest of ordinance contains proposed numbers
 - FOR EACH FUND
 - General Road and Bridge is but one
 - + Must list each fund on cover page and detail in each section



EXAMPLES OF FUNDS IN BUDGET

- General Road and Bridge
- Administration
- Maintenance
- Audit
- Illinois Municipal Retirement Fund
- Social Security
- Permanent Road
- Joint Bridge
- Equipment and Building Fund



LINE ITEMS FOR EACH FUND

- Within each fund, you may need line items for:
 - Administration (personnel)
 - Contractual Services (legal, audit, insurance)
 - Commodities (supplies)
 - Capital Outlay (buildings, equipment, vehicles)
 - Contingencies
 - Others
- Okay Not to Have Each Line Item for All Funds



CAPITAL FUND

- When Accumulating Funds List:
 - Amount of money being dedicated for the project or equipment
 - Purpose of the dedication
 - Duration of the accumulation of funds



BUDGET & APPROPRIATION ORDINANCE PROCESS





- Step 2: Clerk Makes Available for Public Inspection
 - Public Hearing Required
- Step 3: Notice of Public Hearing
 - Clerk arranges public hearing
 - Published in local newspaper 30 days prior to hearing
 - If no newspaper, post in 5 most public places (recommended even if placed in newspaper)





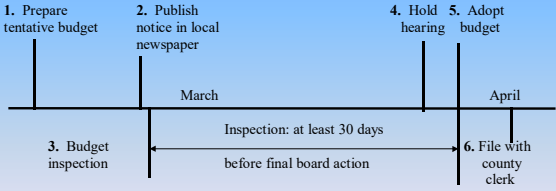

BUDGET & APPROPRIATION ORDINANCE PROCESS





- Step 4: Township Board Adopts at Public Hearing
 - Township board must pass
 - Township board may alter the budget by only decreasing line items
 - Township board may not move funds without highway commissioner approval
- Step 5: Certified Copy Filed with County Clerk

BUDGET TIMELINE

- Most Road District's Fiscal Year Begins on April 1



THE TOWNSHIP BOARD

- Who is the Township Board?
 - 4 elected trustees and the supervisor
- Specific Powers
 - Approve bills individually or via summary statement
 - Review accounts of supervisor and highway commissioner
 - Require verification of accounts
 - Hire employees



THE SUPERVISOR

- Receive and Pay Out Township Funds
- Keep Account of Receipts and Expenditures of All Township Funds
- Prepare and File Annual Financial Statement
- Prepare and File Annual Treasurer's Report



TOWNSHIP BOARD VS. HIGHWAY COMMISSIONER

- Road District Separate Governmental Unit
- Township Board Has Some Power over Budget
- Must Approve the Road District Tax Levy
- Township Board Fills Vacancy



CHANGING THE BUDGET

- Line Item Transfers
 - Limited to 10% within a fund
 - Total fund expenditures may not increase
 - Highway Commissioner must initiate
- Amending the Budget
 - Same process as original adoption process
- Fund Transfers
 - Limited to Eligible funds



LINE ITEM TRANSFERS

- Limited to 10% within a Fund
- Total Fund Expenditures May Not Increase
- Highway Commissioner Must Initiate



AMENDING THE BUDGET

- Not Able to Transfer within Fund
- Unexpected equipment purchase
- Unexpected salt requirements
- Unexpected needs for more personnel



FUND TRANSFERS

- General Road Fund to Another Highway Fund
 - Not recommended
 - Permitted uses of the general road funds cover any conceivable highway expenditure
 - Include line item to cover the desired expense with the budget and appropriation ordinance



RESTRICTED FUND

- Fund Whose Purpose Is Strictly Defined
 - The use of monies levied for restricted funds is limited solely for their intended purpose
 - Transfers are prohibited



NON-RESTRICTED FUND

- Fund That Allocates Revenues for General and Varied Purposes
 - Transfers of monies from a non-restrictive fund to other funds is permissible
 - i.e. transferring monies from the General Town Fund to other funds.



OTHER FUND ISSUES

- Township May Borrow from Road Fund
 - Re-paid within one year.
- Fund No Longer Needed
 - May not be transferred for another purpose



LEVY



LEVY PROCESS

- Step 1: Estimate Aggregate Tax Levy
 - At least 20 days prior to certification
 - By Highway Commissioner
- Step 2: Determine If Truth-in-Taxation Applies
 - Required if estimated aggregate levy is more than a 5% increase over previous year's extension
- Step 3: Certify and File Levy
 - With County Clerk by last Tuesday in December



TRUTH-IN-TAXATION

- Notice of Hearing
 - Not more than 14 nor less than 7 days prior
 - Publish in newspaper
 - Notice must meet statutory definition – www.toi.org
- Hearing
 - Open to the public
 - Explain the levy and proposed increase
 - Allow Public Comments
 - After hearing continue the levy process



HOW DO I LEVY FOR TAXES?

- Levy by passing an “ordinance”
 - Broken down by fund
 - You are “certifying” what you need
- www.toi.org
 - Resource-Downloads-Road District Forms



LEVY ORDINANCE

- REMINDER:
 - This is where you are asking for your share of the property tax collected in your Road District
- WARNING:
 - Make sure you are authorized to collect for each Fund for which you try to levy
 - + e.g., Permanent Road Fund (elector approval)

