

Gouveia, Susan

(C)

From: Lashway, Lisa
Sent: Thursday, April 09, 2015 11:17 AM
To: Canning, Sean
Cc: Gouveia, Susan
Subject: CORRESPONDENCE FW: Municipal User-Friendly Budget Now Live
Attachments: LFN 2015-9 Municipal User-Friendly Budget.pdf

Correspondence

Michelle Masser
Deputy Clerk

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Budd Lake, NJ 07828

-----Original Message-----

From: egg@dca.state.nj.us [mailto:egg@dca.state.nj.us]
Sent: Thursday, April 09, 2015 10:53 AM
To: Lashway, Lisa
Subject: Municipal User-Friendly Budget Now Live

Dear Municipal Clerk:

The Local Finance Board has adopted N.J.A.C. 5:30-3.8, a rule which requires municipalities to incorporate a user-friendly budget into their introduced (approved) and adopted annual municipal budgets. The Excel-based user-friendly budget form, which seeks to present municipal budgets in a more easily comprehensible format for the average citizen, has been approved by the Director of the Division of Local Government Services and is now live on our website. Please review Local Finance Notice 2015-09, attached hereto, for a further discussion of the User-Friendly Budget.

Commencing with Adopted Calendar Year 2015 budgets, each municipality must complete the User-Friendly Budget form as part of the annual municipal budget. Calendar Year municipalities are encouraged but not obligated to complete the form for their introduced (approved) 2015 budgets, but must do so for each introduced as well as adopted budget moving forward.

Municipalities with State Fiscal Year budgets must complete a User-Friendly Budget for both their introduced and adopted SFY2016 municipal budgets.

If your municipality has not already adopted its CY2015 budget, please submit the User-Friendly Budget form to the Division with the adopted budget. For those CY2015 municipalities that adopt their budgets by April 10, 2015, the User-Friendly Budget Form shall be submitted to the Division after transmittal of the adopted CY2015 budget, but NO LATER than May 10, 2015.

The municipal User-Friendly Budget form is available at

http://www.state.nj.us/dca/divisions/dlgs/programs/mc_bud_docs/Municipal%20User-Friendly%20Budget%20Form%20-%20Final.xlsm.

Detailed instructions on completing the form can be found at

http://www.state.nj.us/dca/divisions/dlgs/programs/mc_bud_docs/Municipal%20User-Friendly%20Budget%20Instructions.pdf. The

notice of adoption for N.J.A.C. 5:30-3.8 is available at

[http://www.nj.gov/dca/divisions/dlgs/resources/rules_docs/R.2015%20d.031%20\(47%20NJR%20462\(a\)\).pdf](http://www.nj.gov/dca/divisions/dlgs/resources/rules_docs/R.2015%20d.031%20(47%20NJR%20462(a)).pdf).

For questions concerning the form, email dlgs@dca.nj.gov with the subject heading "UFB Technology Issue" for technical questions or "UFB Content Issue" for content-related questions, or dial the phone number referenced the Instructions. The Division asks that the Instructions and Local Finance Notice 2015-09 be reviewed thoroughly before assistance is sought.

If your email address has changed:

Please login to your GovConnect account at <http://Portal.NJ.Gov>

- Click the "Change Profile" link
- Change your address in the email field
- Click the "Update" button

LFN 2015-09

April 8, 2015

Contact Information

Director's Office

V. 609.292.6613

F. 609.292.9073

Local Government Research

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F. 609.984.7388

Local Finance Board

V. 609.292.0479

F. 609.633.6243

Local Management Services

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Municipal User-Friendly Budget

The Local Finance Board has adopted N.J.A.C. 5:30-3.8, a rule which requires municipalities to incorporate a user-friendly budget into their introduced (approved) and adopted annual municipal budgets. The user-friendly budget form has been approved by the Director and is now live on the Division of Local Government Services website.

What is the User-Friendly Budget?

An Excel-based form prescribed by the Director of the Division of Local Government Services, the User-Friendly Budget seeks to present municipal budgets in a more easily comprehensible format for the average citizen. The User-Friendly Budget has three main objectives:

- Summarize the annual municipal operating budget
- Display information on key cost drivers
- Better explain the municipal budget's impact on local property taxes

The User-Friendly Budget gives municipal officials a powerful tool with which to assess their municipality's fiscal health, identify potential savings and inform constituents about measures being taken to control costs. In turn, the public will have access to a clearer picture of how tax dollars are being spent.

A User-Friendly Budget Form for counties will be developed in the near future. This form only applies to municipalities and is not required to be used for county budgets.

Timeline for Completion and Submission of User-Friendly Budget

Commencing with Adopted Calendar Year 2015 budgets, each municipality must complete the User-Friendly Budget form as part of the annual municipal budget. Calendar Year municipalities do not have to complete the form for their introduced (approved) 2015 budgets, but must do so for each introduced as well as adopted budget moving forward. Municipalities with State Fiscal Year budgets must complete a User-Friendly Budget for both their introduced and adopted SFY2016 municipal budgets.

IMPORTANT NOTES

- For those CY2015 municipalities that adopt their budgets by April 10, 2015, the User-Friendly Budget Form shall be submitted to the Division after transmittal of the adopted CY2015 budget, but no later than May 10, 2015.
- If your municipality has not already adopted its CY2015 budget, please submit the User-Friendly Budget form to the Division with the adopted budget.

Instructions for completing and electronically submitting the municipal User-Friendly Budget Form can be accessed by clicking the [Municipal User-Friendly Budget Instructions](#) link, located under the [Electronic Forms](#) heading on the Division's Municipal and County Budgets webpage. The Division asks that municipal officials review the Instructions and this Local Finance Notice thoroughly before seeking assistance.

Format of the Municipal User-Friendly Budget

Data submission is organized into twelve sections, each with an individual tab. A summary description of each section follows:

- **Cover Page**
The first tab references general information pertaining to the municipality, including the official web addresses and contact information (business) for elected and key appointed officials.
- **UFB-1 Property Tax Breakdown**
This section breaks down the tax rate and levy by each taxing entity, and the amount that the average residential taxpayer pays toward each. A comparison of the municipal purposes tax rate and levy, along with the residential taxpayer impact thereof, between the prior and current budget years is calculated and displayed. The tax collection rate, actual tax collections, and the total amount in delinquent taxes are also shown.
- **UFB-2 Anticipated Revenue Summary - All Operating Funds**
This summary sheet provides total revenues in general categories linked to a Flexible Chart of Accounts (FCOA) code, along with a comparison from the prior to current budget years. Revenue is reported for the General Budget, Open Space Budget and from each Utility Fund in several categories.
- **UFB-3 Appropriations Summary & Budgeted Positions - All Operating Funds**
Appropriations are grouped into categories (linked to an FCOA code) for the general budget, public & private offsets, open space budget and each utility fund, along with a comparison of expenditures from the prior to current budget years. All full and part-time budgeted personnel positions (current year) are allocated within each category as applicable. For purposes of the user-friendly budget, part-time personnel are those working less than 32 hours per week.

- UFB-4 Structural Imbalances
Relocated from Sheet 3b(2) of the annual municipal budget, structural budget imbalances are divided into four categories: Revenues at Risk, Non-Recurring Current Appropriation Reductions, Future Year Appropriation Increases and Structural Balance Offsets.
- UFB-5 Assessed Property Valuations; Exempt Properties and Property Tax Appeal Data
Included for the prior year are information on taxable and tax-exempt properties, property tax appeals, and properties subject to the Five-Year Exemption and Abatement Law (N.J.S.A. 40A:21-1 et seq.).
- UFB-6 Long Term Tax Exemptions/Abatements
Each municipality is required to display prior year information on properties subject to the Long-Term Exemption Law (N.J.S.A. 40A:20-1 et seq.).
- UFB-7 Budgeted Personnel Costs
For the current year, this section displays the following for police, fire, supervisory staff, governing body members and all other union and non-union employees:
 - Base pay
 - Estimated pension costs
 - Health benefit costs (net of employee contribution)
 - Overtime and other compensation
 - Employment taxes and other benefits.

The number of full and part-time employees in each of the aforementioned groups must be listed, along with whether the municipality is subject to Title 11A (Civil Service).

- UFB-8 Health Benefits
This section details current year health benefit costs for active employees, elected officials and retirees, along with the extent of employee cost sharing contributions.
- UFB-9 Accumulated Absence Liability
This section, relocated from Sheet 3b(3) of the annual municipal budget, lists the gross number of days of accumulated absence, dollar value thereof, legal basis for the absence and the amount available to fund the liability.
- UFB-10 Outstanding Debt; Per Capita and Budget Impact
This section requires municipalities to set forth their gross and net debt for current and future budget years. Debt is broken down into municipal purposes, utility fund and school debt. Outstanding principal and interest for bonds, notes and loans are displayed, along with guarantees, leases and other debt. Per capita gross and net debt (current year) is calculated on the sheet, as is net debt as a percentage of the municipality's 3-year average property valuation.
- UFB-11 Shared Services
The following must be listed:
 - Each shared service the municipality provides or receives
 - The other entity providing/receiving the service
 - Beginning and end date of the agreement, if any
 - Amount paid or received for the service.

Joint meetings of which the municipality is a part must also be listed.

- UFB-12 List of Authorities & Fire Districts Serving Municipality
This section lists each authority and fire district that provides services on behalf of the municipality.
- UFB-13 Notes
This sheet permits explanatory notes to be typed in.

Submitting the User-Friendly Budget Form to DLGS

The introduced and adopted User-Friendly Budget forms must be submitted to the Division of Local Government Services in both electronic and hard copy formats. Send one (1) hard copy of the form concurrently with the annual municipal budget submitted to the Division (two copies if under State examination, one copy if subject to local examination). Please reference the User-Friendly Budget Instructions with respect to electronic submission.

Once submitted, each municipality's User-Friendly Budget will be made available on the Division's website, accessible via the Information Resources section under Fiscal Reports. Once on the Fiscal Reports webpage, in order to locate a municipality's User-Friendly Budget, follow these steps:

- Select the introduced (approved) or adopted version of the User-Friendly Budget from the "Select the Type of Report" dropdown menu
- Select the year from the "Select the Report Year" dropdown menu
- Select the municipality from the "Select the Local Government" dropdown menu.

Making the User-Friendly Budget Available to the Public

When making the introduced (approved) budget available to the public for the public hearing, the municipality must provide the completed User-Friendly Budget form along with the annual municipal budget. The user-friendly budget form for either the introduced or adopted budgets may be made available as a separate form, or be included with the annual budget but placed on top.

Note: Calendar Year municipalities are not obligated to present a User-Friendly Budget Form at the public hearing for adoption of their 2015 budgets. The Division nonetheless encourages all CY municipalities whose 2015 introduced (approved) budgets await a public hearing to prepare and make publicly available a User-Friendly Budget form for the introduced budget. Doing so will promote maximum public engagement in the budget process.

Introduced and adopted municipal budgets posted on a municipality's website must include the user-friendly budget. The user-friendly budget form can either be scanned along with the annual budget in a single pdf, with the user-friendly form pages placed in the beginning, or posted separately as an Excel document in addition to the scanned pdf annual budget.

Pursuant to N.J.S.A. 40A:4-10, municipalities without their own websites must have their adopted budgets for the current year and three prior years posted on the Division's website. If your municipality does not have a website, please scan the user-friendly budget form together with your adopted annual municipal budget as a single pdf and email it to dlgs@dca.nj.gov with the subject heading "Adopted Budget DLGS Website Posting". The adopted budget will be displayed on the Adopted Budgets – Municipalities without Websites webpage.

Communications Regarding the User-Friendly Budget Form

Communications regarding the User-Friendly Budget Form should be directed as follows:

Technology Issues – Email dlgs@dca.nj.gov with the subject heading "UFB Technology Issue" or call the number referenced in the Instructions.

Content Issues – Email dlgs@dca.nj.gov with the subject heading "UFB Content Issue" or call the number referenced in the Instructions.

Approved: Timothy J. Cunningham, Director

Table of Web Links

Document	Internet Address
Municipal User-Friendly Budget Form	http://www.state.nj.us/dca/divisions/dlgs/programs/mc_bud_docs/Municipal%20User-Friendly%20Budget%20Form%20-%20Final.xlsm
Municipal User-Friendly Budget Instructions	http://www.state.nj.us/dca/divisions/dlgs/programs/mc_bud_docs/Municipal%20User-Friendly%20Budget%20Instructions.pdf
Municipal User-Friendly Budget Rule – Notice of Adoption	http://www.nj.gov/dca/divisions/dlgs/resources/rules_docs/R.2015%20d.031%20(47%20NJR%20462(a)).pdf
DLGS Electronic Forms	http://www.nj.gov/dca/divisions/dlgs/programs/mc_budgets.html#2
DLGS Fiscal Reports Webpage	http://www.nj.gov/dca/divisions/dlgs/resources/fiscal_rpts.shtml
Adopted Budgets – Municipalities without Websites	http://www.nj.gov/dca/divisions/dlgs/resources/budget_online.html