

**Instructions for Completion and Electronic Submission of  
Municipal User-Friendly Budget**

(2016 Update)

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**I. Completing the User-Friendly Budget**

Data submission is organized into the following sections (tabs):

- Cover Page
- UFB-1 Property Tax Breakdown
- UFB-2 Anticipated Revenue Summary - All Operating Funds
- UFB-3 Appropriations Summary & Budgeted Positions - All Operating Funds
- UFB-4 Structural Imbalances (relocated from Sheet 3b(2) of municipal budget)
- UFB-5 Assessed Property Valuations, Exempt Properties and Property Tax Appeal Data
- UFB-6 Assessed Property Valuations and Exempt Properties - Exemptions/Abatements
- UFB-7 Budgeted Personnel Costs
- UFB-8 Health Benefits
- UFB-9 Accumulated Absence Liability (relocated from Sheet 3b(3) of municipal budget)
- UFB-10 Outstanding Debt; Per Capita and Budget Impact
- UFB-11 Shared Services
- UFB-12 Listing of Authorities and Fire Districts Serving Municipality

Manual entry fields are shaded in beige, with formulas calculating the amounts in select fields. A description of each section follows:

### A. Cover Page

Requires inputting the following information about the municipality:

- Name of municipality (select from dropdown box)
- Whether the User-Friendly Budget Form is for the introduced (i.e. approved) or adopted municipal budget (select from dropdown box )
- If the municipality has an official website, the web address for same
- Main mailing address and telephone number for municipal offices
- Name of the municipality’s chief administrative officer and their business email. In municipalities without a business administrator, the chief administrative officer is the individual charged with running the municipality’s day-to-day operations. For example, this individual could be the municipal clerk, chief financial officer or the mayor.
- Name of the municipality’s chief financial officer and clerk along with their business email.
- Name of the municipality’s auditor (registered municipal accountant) along with their business email
- Name of the mayor (or equivalent such as a village president) and governing body members, along with their business emails and when their terms expire.

***NOTE:*** For municipalities with a form of government where the mayor is appointed by their fellow governing body members, the mayor’s information should be entered under both “Mayor” and “Governing Body Members”; however, expiration of the mayoral appointment should be set forth under the “Mayor” field and the expiration of the individual’s elected term under “Governing Body Members”. For example, if a Township Committeeperson has been appointed Mayor for the year but their term expires at a later date:

#### **Mayor**

First Name	Middle Name	Last Name	Term Expires	Business Email
John	James	Smith	12/31/2016	xyz@anytown.org

#### **Governing Body Members**

First Name	Middle Name	Last Name	Term Expires	Business Email
John	James	Smith	12/31/2017	xyz@anytown.org

## B. UFB-1 Property Tax Breakdown

Manual Data Entry Cells = L6-17, M6-17, M21, M23, M29, R6-17, S6-17, S21-22, S28, S34-35, S38, Cell 31 (R & S combined)

UFB-1 breaks down property tax data and allows comparisons to be made from prior year to current year. The various property tax levies are set forth as follows (as applicable):

- Municipal Purposes
- Municipal Library
- Municipal Open Space
- Fire District(s)
- Other Special Districts
- Local School District
- Regional School District
- County General Purposes
- County Library
- County Board of Health
- County Open Space
- Other County Levies

On the top left hand side of the sheet, input for the prior budget year the rate and levy for each property tax levy. The percentage that each levy represents out of the combined levy for all taxing entities is automatically calculated in cells N6 through N17. If a municipality has more than one of the same type of taxing district, list the average tax rate amongst all the districts and combined amount of all the levies.

Enter into Cell M23 the average residential assessment for the current year. The formula used for calculating the impact of each levy on the average residential tax bill for the prior year is:  $[(\text{average residential assessment} \div 100) \times (\text{prior year tax rate})]$ . Average residential assessment does not include farmland assessments. The average residential taxpayer impact is automatically calculated in Column O.

Totals for columns L through O are automatically calculated in Row 19.

Type into Cell M21 the municipality's total taxable valuation as of October 1 (or, for municipalities in counties where the pilot assessment calendar has been implemented pursuant to P.L. 2013, c. 15, whatever date is applicable). This number should be used to calculate the current year tax rate.

### *Prior-to-Current Year Comparison – Municipal Purposes*

A Prior Year to Current Year comparison (percentage and dollar-wise) of the municipal purposes tax rate, levy and average residential taxpayer impact is displayed on the lower

left hand side of the sheet. All figures are plugged in by formulas save for the Current Year municipal purposes tax rate in Cell M29.

### Current Year Budget

On the right hand corner of UFB-1, enter the total amount of the levy for each category and whether it is actual or estimated. The total estimated amount to be raised by taxes is automatically calculated in Cell S19, and the total non-municipal tax levy (which excludes the municipal purposes and municipal library levies) is automatically calculated in Cell S23.

Enter the amount of anticipated revenue (excluding the tax levy) in Cell S21 and the budget appropriations before the Reserve for Uncollected Taxes (RUT) in Cell S22. The total amount to be raised in taxes is added together from these two numbers and appears in Cell S23. Enter the percentage of tax collections used to calculate the Reserve for Uncollected Taxes in Cell S28, and below that enter the statutory exception relied upon if the percentage used exceeds the actual tax collection percentage.

### Prior Year Tax Collection Rate

For the prior year, enter the total dollar amount of tax collections and total tax levy in Cells S34 and S35, respectively, which together will calculate the percentage of taxes collected in Cell S36. Enter the total dollar amount of delinquent taxes for the prior year in Cell S38.

## C. UFB-2 Anticipated Revenue Summary (All Operating Funds)

This summary sheet provides revenues in general categories, along with a comparison from the prior to current budget years. Enter revenue from the General Budget, Open Space Budget, and from each Utility Budget, as applicable, for the following categories:

- Surplus (FCOA CAFR Code 08)
- Local Revenue (FCOA CAFR Code 08)
- State Aid without Offsetting Appropriations (FCOA CAFR Code 09)
- Uniform Construction Code Fees (FCOA CAFR Code 08)
- Shared Service Agreements (FCOA CAFR Code 11)
- Additional Revenue Offset by Appropriations (FCOA CAFR Code 08)
- Public & Private Revenue Offset by Appropriations (FCOA CAFR Code 10)
- Other Special Items (FCOA CAFR Code 08)
- Receipts from Delinquent Taxes (FCOA CAFR Code 15)
- Local Tax for Municipal Purposes (FCOA CAFR Code 07)
- Minimum Municipal Library Tax (FCOA CAFR Code 07)
- Municipal Open Space Levy Tax (FCOA CAFR Code 54)

- Addition to Local District School Tax (FCOA CAFR Code 07)
- Deficit General Budget (FCOA CAFR Code 08)

Six utility columns (T through Y) have been provided. Enter the name of each utility on the top of each utility column. If your municipality has more than two utilities, click the “Add more utilities” button located on top of Columns T and U, entering the name of each utility in the corresponding column.

Current year anticipated revenue is totaled in Column Q. Total realized revenue for the prior year is entered in Column O for all categories. The percentage and dollar amount difference in current year anticipated revenue versus prior year is automatically tallied in Columns M and N.

### D. UFB-3 Appropriations Summary (All Operating Funds)

UFB summarizes appropriations in general categories, along with comparing the changes in appropriation categories from prior to current year. Enter figures for the General Budget, Public & Private Offsets, Open Space Budget and all Utility Budgets, as applicable, for each line item.

Appropriations categories encompass:

- General Government (FCOA CAFR Code 20): includes Elected Officials, Clerk, Business Administrator, Financial Administration, Technology, Legal, Economic Development and municipal office employees not included in other listed budget categories.
- Land Use Administration (FCOA CAFR Code 21): includes the Planning Board, Zoning Board of Adjustment, and Affordable Housing.
- Uniform Construction Code Enforcement (FCOA CAFR Code 22): includes the budget for all building sub-code officials who enforce the Uniform Construction Code, as well as other code enforcement functions outside the scope of the UCC.
- Insurance - (FCOA CAFR Code 23): includes Employee Health Benefits (medical, dental, prescription health coverage and other health-related benefits), Liability, Property Casualty, Workers Compensation and any other insurance costs.
- Public Safety (FCOA CAFR Code 25): includes 911 Communications, Police, Fire, Ambulance/Rescue, Emergency Management and any other public safety costs.

- Public Works (FCOA CAFR Code 26): includes Street and Road Maintenance, Sanitary Sewer Services, Stormwater Management, Solid Waste, Recycling, Vehicle Maintenance and other miscellaneous public works functions.
- Health & Human Services (FCOA CAFR Code 27): includes Animal Control, Board of Health and various health, human services and social services programs provided by your municipality for veterans, senior citizens, teens or other groups.
- Parks and Recreation (FCOA CAFR Code 28): includes park maintenance, administration of recreation programs and community centers, as well as special community events/celebrations and other similar functions.
- Education (FCOA CAFR Code 29): includes Library and other similar educational functions.
- Utilities & Bulk Purchases (FCOA CAFR Code 31): includes all utility costs paid through the municipal budget - gas, electric, water, sewer, etc.
- Landfill and Solid Waste (FCOA CAFR Code 32): includes all costs relating to landfill and solid waste disposal.
- Statutory Expenses (FCOA CAFR Code 36): includes Pension, Social Security, Unemployment, and other related payroll taxes.
- Court and Public Defender (FCOA CAFR Code 43)

Other categories include: Unclassified (FCOA CAFR Code 30); Contingency (FCOA CAFR Code 35); Judgments (FCOA CAFR Code 37); Shared Services (FCOA CAFR Code 42); Capital (FCOA CAFR Code 44); Debt (FCOA CAFR Code 45); Deferred Charges (FCOA CAFR Code 46); Debt-Type 1 School District (FCOA CAFR Code 48); Reserve for Uncollected Taxes (FCOA CAFR Code 50) and Surplus General Budget (FCOA CAFR Code 55).

The total current year appropriation by service type is calculated in Column R. Enter the total modified appropriation for service type (prior year) in Column P, and the prior vs. current year difference in appropriations will be totaled in Columns N and O. Row 28 shows totals the budget appropriations from each column.

Six utility columns (V through AA) have been provided. Enter the name of each utility on the top of each column.

In Columns L and M, all full and part-time budgeted personnel positions (current year) are allocated within each category as applicable. If an employee is funded through more than one category, their time charged to each category should be shown as a decimal (up to two decimal places are provided). For purposes of the User-Friendly Budget, part-time employees are defined as those working less than 32 hours per week.

## E. UFB-4 Structural Budget Imbalances

The structural imbalance sheet requires an individual listing of all structural imbalances, including offsets, with a description for each and the amount thereof. This sheet is the same as the one that appeared on Sheet 3b(2) in the standard 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.

**Revenues at risk** are anticipated revenues that will not recur in the next budget year, or that are known to be declining over time. Examples of revenues at risk include, but are not limited to: revenues from one time land sales; concession fees or deposits associated with agreements, including redevelopment agreements or utility agreements; short term or expiring grants that support operating costs; transfers of funds from authorities that are not expected to continue; awards of Transitional Aid from the State; and other revenues that are known to be temporary in nature or not reasonably expected to continue.

Alternatively, expiring grants that support operating costs may also be classified as Non-Recurring Cost Reductions if they have ongoing local costs that must be budgeted (e.g. COPS grants).

**Non-recurring appropriation reductions** are proposed reductions in line items that will not recur in the next budget year, or that are known to be declining over time. Examples of non-recurring cost reductions, but are not limited to: short term savings in debt service payments attributable to refunding issues that allow for a skipped debt service payment or reductions in short term maturities; savings in expenses made possible through contractual short term concessions that result in later increased payments (i.e. elimination of immediate overtime expenses in return for the creation of bankable compensatory time), and other one-time short term savings that will not be available in the next budget year.

**Future year appropriation increases** are reasonable projections of appropriation increases for the next budget year. These can include, but are not limited to: increases in debt service payments due to new or restructured debt; increases in lease payments due to new or restructured leases; increased salary or compensation payments attributable to contractual obligations; and other increases in items of expenditure for which policy changes or decisions will necessitate increased appropriations (for example, full year's cost of a program partially implemented in the current budget year).

**Structural imbalance offsets** are budget changes that are expected to occur in the next budget year that offset the impact of the three above-referenced categories. These offsets may include new or one-time current year appropriations or non-recurring increases in current year appropriations that will not appear in the next budget year and out-year budgets. Examples of structural imbalance offsets include: current year funding of deferred charges from a prior year; current year appropriation of funds for retroactive

salary increases; payments from litigation settlements; increased capital appropriations, or increases in employee premium sharing for health care costs; etcetera.

Items can be classified as structural balance offsets that include increased revenues, such as the full year value of fee increases only partially implemented in the current budget year or contractually required increases in payments under supply contracts or service agreements.

## F. UFB-5 Property Tax Assessments; Exempt Properties and Property Tax Appeal Data

UFB-5 displays the following information for the prior year:

- Aggregate values of taxable and tax-exempt properties
- Equalized valuation of taxable properties, and the average ratio of assessed value to true value
- Property tax appeal data
- Data on properties subject to the Five-Year Exemption and Abatement Law (N.J.S.A. 40A:21-1 et seq.)

### Taxable Properties

The categories of taxable properties, as defined by the State Department of Treasury's Division of Taxation, are as follow:

Class 1- Vacant Land: defined as land itself above and under water in its original, indestructible, immobile state. Vacant land is idle land, unused acreage not actively used for agricultural or any other purpose. Land in an approved subdivision actively on the market for sale, or being held for sale, also comes within the definition of "Vacant Land".

Class 2 – Residential: means property described generally as a dwelling house functionally designed for use and enjoyment by not more than four families, including the lot or parcel of land on which the dwelling house is situated. This class includes residential condominiums. A dwelling functionally designed for use and enjoyment by more than four families is designated under Class 4C ("Apartments").

Classes 3A and 3B –Farm Property (Regular and Qualified): defined as land (as well as farm houses and the lots or parcels of land on which they are situated) being used for agricultural or horticultural purposes, including its use for the breeding, pasturing and production of livestock and animal products, or land which otherwise has qualified and is assessed under the Farmland Assessment Act, P.L. 1964, c.48.



Class 4A - Commercial Properties: means income-producing property other than property in classes 1, 2, 3A, 3B, 4B and 4C.

Class 4B - Industrial Properties: defined as land and improvements adaptable for industrial use; ideally, a combination of land, improvements, and machinery which has been integrated into a functioning unit intended for the assembling, processing, and manufacturing of finished or partially finished products from raw materials or fabricated parts, such as factories; or a similar combination intended for rendering service, such as laundries, dry cleaners or storage warehouses.

Class 4C – Apartments: defined as a dwelling functionally designed for the use and enjoyment of five families or more. This class includes residential co-operatives and mutual housing corporations.

Classes 5A and 5B – Railroad Properties: means all real property used for railroad purposes.

Classes 6A and 6B – Business Personal Property: Class 6A is defined as tangible goods and chattels exclusive of inventories used in the business of telephone companies. Class 6B refers to machinery, apparatus or equipment of petroleum refineries directly used to refine crude oil into petroleum products.

In Cells L4 through M11, input the number of parcels in each class and the aggregate assessed value for each class.

### Tax-Exempt Properties

Categories of property tax exempt properties, again as set forth by the Division of Taxation, include the following:

Class 15A – Public School Property: real property owned by Federal, State, county or local governments or their agencies used for public education

Class 15B – Other School Property: real property owned by a non-governmental, non-profit corporation used for educational purposes.

Class 15C – Public Property: real property owned by Federal, State, county or local governments or their agencies and devoted to public uses.

Class 15D – Church and Charitable Property: real property owned by religious and charitable organizations actually and exclusively used in the work of the organizations.

Class 15E – Cemeteries and Graveyards: real property solely devoted to or held for use as a cemetery, graveyard or burial ground.

Class 15F – Other Exempt Properties: real property exempt from taxation but not described in Classes 15A through 15E.

In Cells S4 through T9 input the number of parcels in each class and the aggregate assessed value for each class.

For most municipalities the relevant valuation date for both taxable and tax-exempt properties will be October 1 of the prior year; however, municipalities in counties utilizing the pilot assessment calendar set forth by P.L. 2013, c.15, the date appropriate to the pilot calendar may be used.

The average ratio (percentage) of assessed to true value is inputted into Cell M14. Equalized valuation of taxable properties is calculated in Cell M15 by dividing the total assessed value of all taxable properties (Cell M12) by the average ratio of assessed to true value in Cell M14.

Property tax appeals data is displayed on the left hand side of UFB-5 in Cells N17 through N22. Information that must be listed for the prior year includes:

- Total number of property tax appeals filed before the County Tax Board
- Total number of property tax appeals filed directly with the State Tax Court
- Number of County Tax Board decisions appealed to the State Tax Court
- Number of pending appeals before the State Tax Court
- Amount paid by the municipality to satisfy appeals (both judgements and settlements of appeals)

At the bottom of UFB-5 in Cells L30 through R36, municipalities with properties subject to the Five-Year Exemption and Abatement Law are required to report the number of parcels in each applicable category for the prior year, along with the amount of PILOT (Payment in Lieu of Taxes) revenue received, aggregate assessed value, and the amount of taxes that would otherwise be billed at the full prior year total tax rate.

### G. UFB-6 Long Term Property Tax Exemptions

This sheet requires a municipality to set forth information concerning each project that was subject to the Long Term Tax Exemption Law (N.J.S.A. 40A:20-1 et seq.) in the prior year. Each municipality must provide a list of projects subject to the Long-Term Exemption Law; 2) the taxable value of those projects; 3) the actual revenue generated from each project; and 4) the amount of property tax that would have been generated if the project was subject to full taxation.

## H. UFB-7 Budgeted Personnel Costs

For the current year, each municipality must input the following cost data with respect to for police, fire, supervisory staff, governing body members and all other union and non-union employees:

- Base pay, i.e. the annualized rate of pay to which overtime (if eligible) and/or pension is calculated. The municipality may use either calculation at its discretion.
- Overtime and other compensation (any other item that is charged as a salary and wage expense but not included in base pay).
- Estimated pension costs (as listed on the Division of Pension and Benefits website)
- 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 shown, along with whether the municipality is subject to Title 11A (Civil Service). Part-time employees are those working less than 32 hours per week.

## I. UFB-8 Health Benefit Costs

UFB-8 asks municipalities to detail current and prior year health benefit costs for active employees, elected officials and retirees, along with the extent of employee cost sharing contributions. If actual premium payments are not paid (i.e. self-insured funds) then the annual cost is based on the COBRA rate. Enter employee cost sharing contributions for active employees, elected officials and retirees as negative numbers into Cells M9/P9, M17/P17 and M25/P25, respectively.

In addition, the municipality must include whether their medical and prescription coverage is being provided by the State Health Benefits Plan (SHBP). **Note:** other health insurances such as dental and vision are not included in this analysis unless included in the employees' total premium; therefore, the total from this sheet may not agree with the budgeted appropriation.

## I. UFB-9 Accumulated Absence Liability

This section has been moved from Sheet 3(b)(3) of the regular municipal budget. The gross number of days of accumulated absence, the dollar value thereof, the legal basis for the absence and the funds available to fund the liability (both the amount reserved as of the prior year and the current year appropriation) must be provided.

The following non-aligned positions shall be broken out individually (as applicable), listed in order from those with the highest cumulative dollar value for compensated absences to the least:

- Business Administrator/Municipal Manager
- Chief Financial Officer
- Municipal Clerk
- Each department head
- Any other employee with an individual employment agreement

All other non-aligned employees shall then be grouped as follows:

- Managerial
- Supervisory
- All other non-union employees

**Note:** For municipalities where a police chief or fire chief comes under a Public Safety Director, or if there are separate Police/Fire Director positions, the police and fire chiefs must still be listed individually.

Employees subject to collective bargaining shall have accumulated absence liability information displayed by bargaining unit. Bargaining units must be listed in order from those with the highest cumulative dollar value for compensated absences to the least. If there is not enough room to list all collective bargaining units, combine those with the least dollar value for compensated absence and provide their cumulative total in the bottom row.

### K. UFB-10 Debt

UFB-10 requires municipalities to set forth their debt obligations for current and future budget years.

For the current year, input the gross debt and any deductions from same in columns K and L for the following categories:

- Municipal Purposes
  - Debt Authorized
  - Notes Outstanding
  - Bonds Outstanding
  - Loans and Other Debt
- Utility Fund Debt (listed by utility)\*
- Local School Debt
- Regional School Debt

\* The name of each utility will be preloaded into Cells K10 through K15 based on the utility columns from UFB-2 (Anticipated Revenue Summary).

Net debt (gross debt minus deductions) is automatically calculated in Column M.

Enter into Cell K23 your municipality's population as of the 2010 census; this calculates the total per capita gross and net debt in Cells K25 and K26. Input your municipality's three-year average property valuation into Cell L28, and the net debt as percentage of the three-year average property valuation will be calculated in Cell L30.

On the right-hand portion of the sheet, outstanding principal and interest for bonds, loans and other debt are displayed in Columns P through S for current and future budget years, along with guarantees, leases and other debt. Only the current year principal and interest is inputted for bond anticipation notes. Total principal and interest, along with their percentage of the current year budget, is calculated in Rows 17 through 19. Input your municipality's bond rating(s) from Standard & Poor's, Fitch and/or Moody's in Rows 28 and 29. If your municipality does not have a bond rating, mark "X" in Cell Q31.

### L. UFB-11 Shared Services

List each shared service that your municipality provides or receive, type of service, the other entity providing/receiving the service, beginning and end date of the agreement (if applicable) and the amount paid or received for the service.

Any joint meetings to which the municipality is a party shall be listed on this sheet. Cooperative purchasing or pricing agreements are not to be included on this sheet, nor are Joint Insurance Funds (JIFs) or Joint Health Insurance Funds (Joint HIFs).

### M. UFB-12 Listing of Authorities and Fire Districts Serving Municipality

This sheet asks municipalities to list which authorities and/or fire districts, if any, serve their municipality. This listing would include regional authorities of which the municipality is a constituent member (e.g. regional sewerage authorities), but county authorities that provide services to a municipality are not to be included on this list.

### N. UFB-13 Notes Page

This sheet offers municipalities the opportunity to display explanatory notes pertaining to the information in the User-Friendly Budget document.

## II. Electronic Submission of User-Friendly Budget

The introduced and adopted user-friendly budget forms must be submitted to the Division of Local Government Services in electronic format. The adopted User-Friendly Budget must also be submitted in hard copy with the adopted budget. To electronically submit the User-Friendly Budget Form, click the “Email the UFB using Outlook” button” on the Cover Page and send the email that comes up on your screen. Once this button is clicked, the User-Friendly Budget form is transmitted to the Division. If you are not submitting via Outlook, click the “Email the UFB if not using Outlook” link located below the Outlook button on the Cover Page. The file name for the introduced User-Friendly form will follow the format ***municode\_fbi\_year.xlsm***, with the adopted form’s filename following the format ***municode\_fba\_year.xlsm***. The message on the email states that the Chief Financial Officer certifies user-friendly budget form’s accuracy.

### Communicating Questions/Issues Regarding the Form

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

Technology Issues – Email [dlgs@dca.nj.gov](mailto:dlgs@dca.nj.gov) with the subject heading “UFB Technology Issue” or call Mark Brodowski at 609-633-2504.

Content Issues – Email [dlgs@dca.nj.gov](mailto:dlgs@dca.nj.gov) with the subject heading “UFB Content Issue” or call the Division’s Financial Regulations section at 609-292-4806.