



**LFN 2018-28**

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# Local Finance Notice

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## Distribution

Chief Financial Officers  
Administrators/Managers  
Municipal Clerks  
Freeholder Board Clerks  
Auditors

## Financial Automation Submission Tracking (FAST) Solution Update and 2019 Budget Matters:

The Division recognizes the complexities involved in implementing an automated system to record and store local government financial data. Many thanks to the Chief Financial Officers and other professionals who have supported and contributed to FAST's successful development and implementation. The Department is committed to FAST's success and will continue enhancing the user experience. This Local Finance Notice provides information regarding the following topics:

- I. Financial Automation Submission Tracking ("FAST") Update
- II. Early Budget Planning
- III. CY2019 Budget Deadline Extension & Enforcement

### I. Financial Automation Submission Tracking ("FAST") Update

Consistent with Local Finance Notice 2018-16, the Division is requiring submission of State Fiscal Year municipal budgets, Annual Debt Statements, and Annual Financial Statements (municipalities and counties) through FAST. The Division is also requiring submission of Calendar Year 2019 municipal budgets through FAST. The Division will pilot the FAST county budget platform in 2019, creating county-specific Flexible Chart of Accounts (FCOA) codes. The Division anticipates all 2020 county budgets will be submitted through FAST.

FAST implementation is progressing. Many user-reported issues have already been resolved. Outstanding issues are being addressed. Over the next several months, the Division will deploy a series of system updates including fixes and enhancements to the Annual Debt Statement (ADS), Supplemental Debt Statement (SDS), Annual Financial Statement (AFS), Budget, User Friendly Budget (UFB), and Audit components. The Division will generate templates of the above-referenced records after all relevant updates of those financial documents are completed. 2017 documents that were submitted via FAST, as required, will become the final 2017 record for each local government unit. For municipalities that have already entered their CY2018 budgets through FAST, all entered account numbers and line item descriptions will roll-over to populate the Prior Year columns in the CY2019 budget. To ensure accuracy, all amounts must be reviewed prior to submitting a CY2019 budget.

This Notice provides a timeline for the release of all anticipated system updates. The timeline corresponds to the submission deadlines that have been extended.

Please note that FAST audit component enhancements will occur before the end of this year. Amounts shown on the 2017 Audit Balance Sheet will appear as the beginning balances in the 2018 Annual Financial Statement. Either the CFO or Auditor must confirm these amounts match their 2017 audits.

In addition to this Notice, Chief Financial Officers will receive a GovConnect notification for each release. The GovConnect notifications will summarize the FAST portal enhancements contained in each release.

Anticipated Release Schedule:

### **December 2018**

- Audited Financial Statements
  - CFO or auditor must certify the Balance Sheet within the Audit component in FAST for 2017
  - Certified audit amounts will become the beginning balances in the 2018 unaudited AFS
- Municipal Budget
  - Rollover CY to PY for 2019 record creation
  - Recalculate FCOA Code
  - Construct FCOA class codes to facilitate Local Unit budget sequencing
  - Cleanup report aesthetics
- Annual Financial Statement
  - Cleanup report aesthetics
- Annual Debt Statement/Supplemental Debt Statement
  - Load equalized valuations
  - Filter Bond groups
  - Populate Regional School Debt calculations
  - Add CFO certification
  - Cleanup report aesthetics

### **February 2019**

- Annual Financial Statement
  - Rollover CY to PY for creation of the 2019 record AFS
  - Reorder "Balance Sheet" (Trial Balances)
  - Lockdown calculated fields
  - Remove Reserve for Uncollected Taxes (RUT) from AFS and move to Budget

**February 2019 Continued**

- Breakout Deferred Charges
- Correct accelerated tax sale calculation
- CFO certification added
- Annual Debt Statement and Supplemental Debt Statement
  - Establish debt limit flag

**March 2019 – Part 1**

- Budget
  - Cleanup Sheet 2 dates
  - Cap calculations
  - Filter FCOA codes
  - RUT tabs
  - Utility budget employee count
  - Library tax
  - New Revenue check box
- User-Friendly Budget
  - Allow Tax Assessor input
  - UFB-1 RUT calculation correction
  - Revise Tax Impact on average residential assessment
  - Removing fractional parcels from UFB-5 (Tax Assessments)
  - Display net debt percentage on UFB-10

**March 2019 – Part 2**

- Budget
  - Add population logic to Capital Budget
  - Add budget amendment capacity
  - Revise Library Tax display
- User Friendly Budget
  - Transfer budget data to UFB-2 (Revenue Summary), UFB-3 (Appropriations Summary), UFB-4 (Structural Imbalances)
- Audit
  - Add additional schedules

**April 2019**

- Budget
  - Current Year to Prior Year rollover
  - Add DLGS examination

**April 2019 Continued**

- User-Friendly Budget
  - Transfer population from Local Government Entity tab to UFB-7 (Personnel Costs) and UFB-10 (Debt)
- Annual Financial Statement
  - Improve data validation functions
- Audit
  - Add Findings and Recommendations
  - Add Single Audit

The Division will post additional resources including FCOA code updates, user documentation and helpful hints on its website. – A Table of Active FCOA Codes for Budgets is currently available on the FAST Updates webpage at Active FAST FCOA codes for Budgets. To facilitate the appropriate selection of FCOA codes, the master table allows municipalities to view all available codes in a condensed format. The Division will continue to provide information about future planned releases, as FAST will continue to evolve beyond April 2019. Please continue to reference the Division's FAST webpage for all FAST-related updates and announcements.

To accommodate local units' data entry efforts, the CY 2019 document submission deadlines have been extended and some document submission requirements have been changed.

**A. CY 2019 Introduced** Municipal budgets shall be entered into the FAST Portal no later than March 29, 2019\*.

**B. CY 2019 Adopted** Municipal budgets shall be entered into the FAST Portal no later than April 30, 2019\*.

\* or the next regularly scheduled governing body meeting.

**C. Counties** are not required to submit their CY2019 budgets through the FAST Portal; however, counties should anticipate submitting their CY2020 budgets through FAST. Counties must still submit their Annual Debt Statement and Annual Financial Statement for 2019 through FAST.

**All local governments are still required to submit their 2018 Annual Financial Statement and 2018 Annual Debt Statement through the FAST Portal by the applicable statutory deadlines.**

**The submission deadline for the 2018 Annual Financial Statement has been extended to March 1, 2019.**

## II. Early Budget Planning

Municipalities that have not yet begun to plan and prepare their 2019 budgets are already behind and should immediately begin the process. Consistent with prior practice, the Division of Local Government Services will authorize an extension to the statutory deadline to introduce and adopt 2019 budgets.

Early adoption is an effective management tool. Advance-planning ensures budgets reflect meaningful policy and strategic initiatives rather than reactive budgetary gap-filling. Delayed budget adoption limits management flexibility by shortening the time available to implement fiscal adjustments. Ratings agencies take some comfort in early and appropriate fiscal planning. In that regard, early planning helps protect New Jersey's strong municipal credit history.

CY municipalities planning a property tax levy cap referendum must meet notice and publication deadlines tied to the April school board election date. These municipalities should appropriately plan their 2019 budgets to facilitate sound decision-making regarding this option. The full calendar for referendums will be released when the Division of Elections sets the timetables. The budget filing dates below are expected to be consistent with election timetables. A separate Local Finance Notice will be issued when the referendum schedule is established.

## III. CY 2019 Budget Deadline Extension and Enforcement

As authorized by N.J.S.A. 40A:4-5.1, the Local Finance Board has extended statutory budget deadlines. The revised dates (absent referendum dates) are as follows:

<b>Introduction and Adoption of Budget – Non Referendum</b>	<b>Statutory Date</b>	<b>Revised Date*</b>
Mayor/Council Faulkner Act (Executive) budget transmission to governing body	1/15	2/28
Submission of the County and Municipal Annual Financial Statement	1/26, 2/10	3/01
Municipal introduction and approval of budget	2/10	3/29
County introduction and approval of budget	1/26	3/29
Municipal adoption	3/20	4/30
County adoption	2/28	4/30

\*or the next regularly scheduled meeting of the governing body.

Notwithstanding the revised dates, a budget may be adopted anytime within 10 days of receiving the Director's certification of budget approval.

Governing bodies may, by resolution adopted no later than March 29, 2019, extend the 2019 budget adoption date and increase temporary budget appropriations as necessary to accommodate these extensions.

Municipalities and counties that fail to timely adopt their budgets risk imposition of penalties by the Director. Pursuant to N.J.S.A. 40A:4-84, the members of a governing body that willfully fail or refuse to comply could face \$25-per-day fines for failure to comply with a final order of the Director.

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Approved: Melanie R. Walter, Director

<b>Document</b>	<b>Internet Address</b>
DLGS FAST Webpage	<a href="http://www.nj.gov/dca/divisions/dlgs/fast.html">http://www.nj.gov/dca/divisions/dlgs/fast.html</a>
Active FAST FCOA Codes - Budgets	<a href="https://www.nj.gov/dca/divisions/dlgs/pdf/active_muni_budget_FCOAs.xlsx">https://www.nj.gov/dca/divisions/dlgs/pdf/active_muni_budget_FCOAs.xlsx</a>