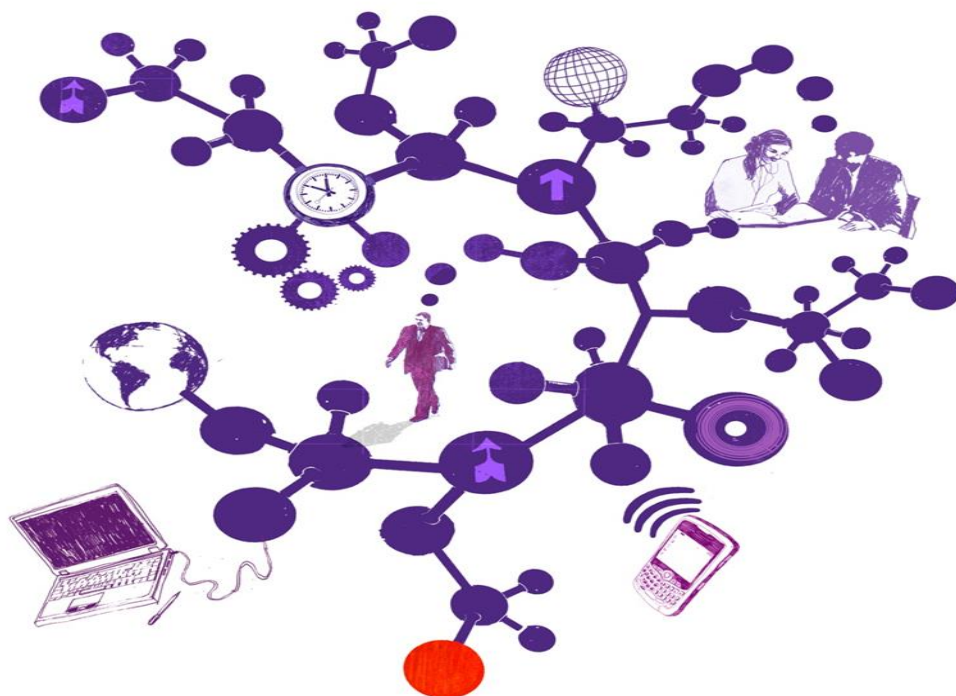


User manual for the excel book for budget planning in the municipalities in Albania

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Introduction

Through this document, with pleasure we present to you excel budgeting model that can be used by municipalities in drafting their annual budget along with the manual for use of this model.

The model is based on the theory of budgeting from zero base, to assist new municipalities, created as a result of administrative and territorial reform, which can draft an annual budget realistic moving one step forward from the old practice of budgeting incremental based on historical budgets

This Manual contains information and guidelines for proper and most effective use of the proposed excel book for planning of the municipal and project budgets in the municipalities in Albania. The Manual contains 5 sections in which in detail are explained all steps that should be undertaken by the authorized personnel for proper budget planning.

This excel book should be used by all the Entities, Units or Sector inside one municipality. Each and every Entity, Unit or Sector can plan its year plan of revenues and expenses. The usage of the tables in the sheets in the excel book is applicable only to the functions that one Entity, Unit or Sector has. If something is not applicable that that should be left empty. The authorized personnel in each Entity, Unit or Sector should use the planning tables in planning sheets that are applicable only to their core work.

Then, each of the Entities, Units or Sectors should send their annual budget plan to the main authorized personnel in the municipality general administration for review and approval.

After collecting, reviewing and approving all the received plan from all the Entities, Units or Sectors, the municipal general administration calculates total annual budget in the master budget excel book and then send that file for approval to the Council and Central Government Institutions for vote for final approval.

Information

The excel book starts with two information sheets where are located all personal information of the municipality and the person who will make an annual plan, and information on Albanian accounting codes and treasury codes.

1. Budget Information Sheet (B1) - this sheet consists of general information about the municipality including: name, address, postal code, city, telephone number, fax, web page and e-mail address. This sheet contains as well dates for the period of planning, and part that should be signed by the persons in charged for the budget planning, budget reviewing and budget approving, respectively. All colored fields must be filled out.
2. Account Number Table Sheet (B2) - this sheets contains two tables. One represents list of all revenues of the municipality, and the other list of the expenses. Both of the tables have accounting number column and description of the items.

Section I

This section contains explanation to all excel sheets used for planning of the municipal revenues as it follows:

1. Property Tax Sheet - this sheet is composed of three parts. The first part calculates the taxes of buildings; the second part calculates the taxes of agricultural land and the last part calculates the taxes on constructional land. The user must fill all coloured cells in this sheet. It is important that several types of property are exempt from taxation. Exempt from the tax on buildings are:
 - a) the properties of the state and local governments, which are used for non-profit purposes;
 - b) residential buildings, used by the tenant rent non-liberalized;
 - c) buildings used by religious communities; and
 - d) the assets owned by the state, passed by the Council of Ministers, under the management of state-owned public companies.

Exempt from tax on agricultural land is:

- a) agricultural land, planted with orchards and vineyards for the first five years from the time of planting.
2. Small Business Tax Sheet - the user should fill the coloured cells in order to make all the assumptions and calculations on possible revenues from this tax.
 3. New Infrastructure Impact Tax Sheet - this sheet calculates the possible revenues from this tax. The coloured cells must be filled in.
 4. Hotel Tax Sheet - this sheet calculates the possible revenues from this tax based on type of accommodation, number of room in all calculated units, room occupancy rate and average room price per night spent. The coloured cells must be filled in.
 5. Tax on Use of Public Space Sheet - this sheet calculates the possible revenues from this tax, based on the area and the zone where the space is located. The user must fill in the coloured cells. It is important to note that this tax does not apply to areas owned and administered by the local government.

6. Vehicle Tax Sheet - this sheet calculates the possible revenues from this tax based on the registration fees and the number of registered vehicles. The user must fill in the coloured cells.
 7. Property Transfer Tax Sheet - this sheet calculates the possible revenues from this tax, based on type of property, the location, the area and the different tax rates. The user must fill in the coloured cells. It is important to note that several types of property are exempt from payment of tax on transfer of ownership rights of real estate:
 - a. the National Housing Authority, Ministry of Finance and the central and local government;
 - b. persons who are subject to personal income tax, pursuant to Law 8438, dated 28.12.1998 "On income tax";
 - c. the subjects who donate real estate when the direct beneficiaries:
 - d. state institutions and public entities, the central government;
 - e. religious communities or non-profit organizations, the grant is related to that part of their activity non-profit. In these cases the donor, having received certification from the municipal or local council tax exemption, registration of immovable property donated. At the time of registration, donor pays its portion of the tax agent.

*When accepted by the parties or when it is proved legally that donation on behalf of a sale for tax evasion, tax applies double the value, despite other responsibilities under the laws in force.
 8. Billboard Tax Sheet - this sheet enables the user to calculate the possible revenues from the tax on the displayed billboards, based on the purpose of the billboard, the location, the size and the time if it is temporary billboard. The user must fill in all colored cells.
 9. Temporary Tax Sheet - this sheet enables the user to calculate the possible revenues from this tax. It is important to note that mobile telephony antennas, as well as any other transmission antenna, made in accordance with the legislation in force, are not subject to tax temporary nature.
 10. Tax Revenue Sheet - this sheet enables the user to calculate all applicable revenues from taxes that the municipality collects in accordance with the Law no 9632 and CMD 142. This sheet is an output of the following sheets: Property tax, Small business tax, New infrastructure impact tax, Hotel tax, Tax on occupation on public space, Vehicle tax, Property transfer tax, Public space tax, Billboard tax, Temporary tax, Advertising tax, Tax on specific services, Fees for use of licenses for business activity and other taxes. Because of this reason the fulfilment of this sheet must be done after filling all other tax related sheets. This sheet enables the user to moderate the calculated values generated from the other tax revenues sheets by entering the values in the coloured cells. This sheet represents an input source for Revenue Balance by Item Sheet (C1).
- *** For planning of the above taxes the municipality should abide by the Council Minister Decisions number (CMD) 142. In some of the tax calculation sheets there is also the option to include the % of the commission of the agent.

11. Non - Tax Revenue Sheet - this sheet enables the user to calculate the revenues from sources different to taxes, applicable to the municipalities according the Law. This includes: entrepreneurial income and income from property, revenues from economic activities, revenues from asset management, revenues from rent, revenues from: fines, court and administrative fees, parking fine, littering, other government services and other non - tax revenues. The user should fill in all cell coloured in red. This sheet is input source for Revenue Balance by Item Sheet (C1).
12. Capital Revenues Sheet - this sheet enables the user to calculate all the capital revenues that are applicable to the municipality according to the law. The user must fill the collared cells. This sheet is input source for Revenue Balance by Item Sheet (C1).
13. Transfer Donations Domestic Sheet - this sheet enables the user to calculate all the transfer donations revenues that are applicable to the municipality according to the Law. These donations include: transfer from other levels of government, regional development fund, capital donations, revenues from related loan agreements and conditional transfers. The user must fill in the required coloured cells, for the transfers used by the municipality. This is source input for Revenue Balance by Item (C1) Sheet.
14. Transfer Donations Abroad Sheet - this sheet enables the user to calculate all the transfer donations revenues that are applicable to the municipality according to the Law. These donations include donations from abroad. The user must fill in the required coloured cells, for the transfers used by the municipality. This is source input for Revenue Balance by Item (C1) Sheet.
15. Unconditional Transfer Donations sheet this sheet enables the user to calculate all the transfer donations revenues that are applicable to the municipality according to the Law. These donations include unconditional transfers. The user must fill in the required coloured cells, for the transfers used by the municipality. This is source input for Revenue Balance by Item (C1) Sheet.
16. Domestic Borrowing Sheet - this sheet enables the user to calculate all the possible and needed domestic borrowing revenues and the costs arising from that borrowing, applicable to the municipality. The user must fill the required collared cells. This is source input for Revenue Balance by Item Sheet (C1) and Budget Cost Planning Sheet (C2).
17. Borrowing From Abroad Sheet - this sheet enables the user to calculate all the possible and needed domestic borrowing revenues and the costs arising from that borrowing, applicable to the municipality. The user must fill all coloured cells. This is source input tab and output tab on this is Revenue Balance by Item Sheet (C1) and Budget Cost Planning Sheet (C2).
18. Fees and Charges Sheet - this sheet enables the user to calculate all the revenues from fees and charges that are applicable to the municipality according the Law. This includes the following: Cleaning fee, Public space fee, Greening fee, Portable water fee, water fee, lightening fee, sign fee, advertisement fee, landscape fee, transport permit fee, Parking fee, administration fee, social service fee, sports and culture fee, other service fee. This sheet enables the user to moderate the calculated values generated from the fees and charges. This is source input tab and output tab on this is Revenue Balance by Item Sheet (C1) tab.
19. Reserve Fund Fee - this sheet enables the user to calculate the reserves in the municipality in according the Law. The user must fill the coloured cells. This is source of input for Revenue Balance by Item Sheet (C1).

20. Revenue Balance by Item Sheet - in this sheet the user should fill in the budget plan for estimating the next year revenues. In this sheet the user can moderate the values that are calculated in other revenue sheets, since the totals in this sheet are generated from the other revenue sheets in this excel book. This sheet as well represents source of input for Revenue Sheet (D1).
21. Sources of Funding Sheet (H) - In this sheet the user can fill in the municipality income for the annual budget by sources of funding. This sheet is for review purposes.

Section II

This section contains explanation to all excel sheets used for planning of all municipal expenses as it follows:

1. Cost Salaries and Allowance Sheet - this sheet enables the user to estimate the costs for next year salaries and allowances for the municipal employees. The user must fill in all coloured cells. When filling this sheet the user must take the following steps:
 - i) The user can use this table only for the specified Department in the Municipality
 - ii) If there are more departments from the listed the user can copy the last table as many times as the needed for different Departments in the Municipality.
 - iii) The user should fill in data for the number of employees in the Department separated by the category of salary (different level of wages).
 - iv) The user must fill in data for salary (level of wage).
 - v) The user must fill in data for Fees and Benefits.
 - vi) The fields contain separate section for calculation of salaries for employees with civil status, employees with code of conduct and employees with from agencies.

This sheet is input source for Budget Cost Planning Sheet (C2).

2. Travel and Daily Expenses Sheet - this sheet enables the user to estimate the next year cost for Travel and Daily Expenses of the municipal employees. The user must fill in all coloured cells in the sheet. This sheet is input source for Budget Cost Planning Sheet (C2).
3. Utilities, Heating, Communications and Transport Cost Sheet - this sheet enables the user to estimate the next year cost utilities, heating, communication and transport for the municipality. The user must fill in all coloured cells. This sheet is input source of Budget Cost Planning Sheet (C2).
4. Materials and Fixtures Cost Sheet - this sheet enables the user to estimate the next year cost for materials and fixtures for the municipality. The user must fill in all coloured cells. This sheet is input source of Budget Cost Planning Sheet (C2).
5. Repairs and Maintaining Cost Sheet - this sheet enables the user to estimate the next year cost for repairs and maintaining for the municipality. The user must fill in all coloured cells. This sheet is input source of Budget Cost Planning Sheet (C2).

6. Contract Services Sheet - this sheet enables the user to estimate the next year cost for contract services in the municipality. The user must fill in all coloured cells. This sheet is input source of Budget Cost Planning Sheet (C2).
7. Other Current Cost Sheet - this sheet enables the user to estimate the next year cost for other current costs for the municipality. The user must fill in all coloured cells. This sheet is input source of Budget Cost Planning Sheet (C2).
8. Temporary Employment Sheet - this sheet enables the user to estimate the next year cost Temporary employment of employees in the municipality. The user must fill in all coloured cells. This sheet is input source of Budget Cost Planning Sheet (C2).
9. Purchase Equipment and Machines Cost Sheet - this sheet enables the user to estimate the next year cost for purchasing of equipment and materials for the municipality. The user must fill in all coloured cells. This sheet is input source of Budget Cost Planning Sheet (C2).
10. Buildings Cost Sheet - this sheet enables the user to estimate the next year cost for buildings for the municipality. The user must fill in all coloured cells. This sheet is input source of Budget Cost Planning Sheet (C2).
11. Other buildings Cost Sheet - this sheet enables the user to estimate the next year cost for other buildings for the municipality. The user must fill in all coloured cells. This sheet is input source of Budget Cost Planning Sheet (C2).
12. Purchase of Furniture Cost Sheet - this sheet enables the user to estimate the next year cost for purchase of furniture for the municipality. The user must fill in all coloured cells. This sheet is input source of Budget Cost Planning Sheet (C2).
13. Investments and In-kind Cost Sheet - this sheet enables the user to estimate the next year cost for investments and in-kind materials and fixtures for the municipality. The user must fill in all coloured cells. This sheet is input source of Budget Cost Planning Sheet (C2).
14. Purchase of Vehicles Cost Sheet - this sheet enables the user to estimate the next year cost for purchase of vehicles for the municipality. The user must fill in all coloured cells. This sheet is input source of Budget Cost Planning Sheet (C2).
15. Capital Subsidies to Companies and NGO`s Cost Sheet - this sheet enables the user to estimate the next year cost for capital subsidies to companies and NGO`s for the municipality. The user must fill in all coloured cells. This sheet is input source of Budget Cost Planning Sheet (C2).
16. Budget Cost Planning Sheet - in this sheet the user should fill in the budget plan for estimating the next year expenses. In this sheet the user can moderate the values that are calculated in all other cost sheets, since the totals in this sheet are generated from all other cost sheets in excel book. This is still source input sheet for Expenses (D2) sheet and Cost Balance by Item (D3) Sheet.

Section III

This Section contains the sheets that provide reporting content. All information and data are generated from the calculations in the Sheets explained in the previous Section I and Section II. The following sheets have reporting purposes:

- Revenue Sheet (D1);
- Expenses Sheet (D2);
- Cost Balance by Item Sheet(D3);
- Capital Expenses Sheet (D4);
- Function Balance by Program Sheet (D5);
- Function Expenses Sheet (D6);
- Revenue Balance by Item % Sheet (E1);
- Cost Balance by Item % Sheet (E2);
- Revenue Balance Graphic Sheet (E3); and
- Cost Balance Graphic Sheet (E4).

Section IV

This Section contains explanation of the sheets that are used for analytical purposes:

1. Budget Performance Analysis Sheet (F1) - this sheet enables the user to perform analysis on the Budget Performance. It is necessary the user to fill in the necessary budget data of a specific date in order to make the calculation and analyses, i.e. all coloured cell must be filled in.
2. Cost on Borrowings Sheet (F2) - this sheet enables the user to perform analysis on the cost on borrowings comparing them with the references determined by the Law.

Section V

This Section contains explication on the sheet used to compose project based budget plan. The section includes the following sheet:

1. Budget Plan Project Based (G) - this sheet represents complete budget for a project. The user must fill in the project revenues and expenses in the colored cells. This sheet can be used as many times, as there will be projects in the municipality.
2. The user can also input in this sheet the planning of the mid-term programs for each project projects.

Appendix I



Budget_Plan_Final_Draft.xlsx



Budget_MASTER_Final_Draft.xlsx



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