

BUDGETING REQUIREMENTS | 2018-19

FISCAL PERFORMANCE GUIDE TO THE UNIFORM BUDGETING AND ACCOUNTING ACT REQUIREMENTS

One of the main goals of The Governor John Engler Center For Charter Schools (Center) is to continually streamline and automate the regulatory reporting process for the charter public schools authorized by Central Michigan University. The theory behind this goal is that by making the notification and reporting process routine, schools will have more time to devote to more important matters – living their mission and preparing students for success in college, work and life.

The Center's Fiscal Performance & Accountability (FP&A) Unit strives to provide useful information to ensure that each charter school's financial activities are in compliance with the terms and conditions of the Charter Contract and applicable law. The FP&A Unit is pleased to provide you with the following outline of statutory requirements that must be met when preparing the Academy's annual operating budget.

We hope that you will use this document as a resource to help you anticipate reporting requirements. As you begin preparing the FY2018-19 Original Budget, please utilize this reference to assist you along the way. This document is available on our website at www.TheCenterForCharters.org, which also includes sample resolutions and budget templates.

Sincerely,



Derrick R. Stair, CPA
Director, Fiscal Performance & Accountability



Uniform Budgeting and Accounting Act (UB&AA) Requirements

Public Act 621 was amended by Public Act 493 of 2000 making specific sections, specifically the budget-related sections, applicable to Public School Academies (PSAs). A summary of those requirements are as follows:

- The Academy Board is required to designate, by resolution, a Chief Administrative Officer (CAO)** (see sample resolution [HERE](#))
 - The CAO assumes final responsibility for the preparation and presentation of the recommended budget and controls the budget throughout the year.

- The Academy Board is required to approve a Budget Timeline** (see sample resolution [HERE](#))
 - At a minimum, the budget timeline should include the following dates/deadlines:
 1. When budget requests are due to the CAO
 2. When the CAO will present the proposed budget to the Academy Board
 3. When the public hearing will be held on the original budget
 4. When the original budget will be adopted

NOTE: The Center recommends that the Academy Board annually adopt its Budget Timeline prior to starting the budget process.

- The CAO is required to prepare a budget for the Academy's General Fund and any Special Revenue Fund** (i.e. Food Service Fund)

- The Original Budget for the General Fund and any Special Revenue Fund must be presented in the following 3-column format:** (see sample template [HERE](#))
 1. Last Year Actual (FY2016-17 Audited Financial Statements)
 2. Current Year Projection (agrees with the most recent FY2017-18 board approved budget)
 3. Proposed Budget (FY2018-19)

- The Academy is required to publish a public hearing notice in a general circulation newspaper** (see sample template [HERE](#))

The notice must:

 - Be published at least six days prior to the hearing date
 - Include each of the following elements:
 1. Academy name
 2. Time of the hearing
 3. Location of the hearing
 4. Location where a copy of the budget is available for public inspection

NOTE: The public hearing date and the board meeting when the budget will be adopted can be the same date.

- The Academy is required to present the FY2018-19 Original Budget for the General Fund and any Special Revenue Fund at a properly noticed public hearing before it is approved by the Board**

- The Academy Board is required to approve, by resolution, the FY2018-19 Original Budget for the General Fund and any Special Revenue Fund *prior to July 1*** (see sample resolution [HERE](#))

- All budget amendments are required to be approved, by resolution, by the Academy Board as soon as it becomes apparent that the revenues are going to be less than the original estimate or expenditures are going to be greater than those used to formulate the budget** (see sample template [HERE](#))

- Any violations of the UB&AA, as disclosed in the Academy Board's audited financial statements (in the absence of reasonable procedures to detect the violation), shall be filed with the State Superintendent of Public Instruction and reported to the Attorney General**