



# Finance 101

From the State Budget to the Classroom



THE GOVERNOR JOHN ENGLER  
**CENTER FOR  
CHARTER  
SCHOOLS**

CENTRAL MICHIGAN  
UNIVERSITY

# Presenters



**Michael Wrobel**

**Director of Fiscal Performance & Accountability**

[mwrobel@TheCenterforCharters.org](mailto:mwrobel@TheCenterforCharters.org)

517-285-3830



**Laura Lea Lane**

**Financial Operations Analyst**

**Fiscal Performance & Accountability**

[llane@TheCenterforCharters.org](mailto:llane@TheCenterforCharters.org)

989-774-1015



THE GOVERNOR JOHN ENGLER

**CENTER FOR  
CHARTER SCHOOLS**

CENTRAL MICHIGAN UNIVERSITY

# Who are you/What is your role?



THE GOVERNOR JOHN ENGLER  
**CENTER FOR  
CHARTER SCHOOLS**  
CENTRAL MICHIGAN UNIVERSITY

**How long have you  
served in your role?**



THE GOVERNOR JOHN ENGLER  
**CENTER FOR  
CHARTER SCHOOLS**  
CENTRAL MICHIGAN UNIVERSITY

# What will we discuss this this afternoon?

- » State Budget
- » Academy (Board Approved) Budget
- » Individual Classroom
- » Academy Reporting Requirements
- » Questions?



# State of Michigan Budget

## Michigan Tax System and Budget

### What revenue sources make up the School Aid Fund (SAF)?

- » Income Tax Collections
- » Sales Tax
- » State Education Tax (Property Taxes)
- » Lottery Transfer
- » 33% of Use Tax
- » Real Estate Transfer Tax
- » Tobacco Taxes
- » Casino/Other SAF Taxes
- » Liquor/Beer/Wine Taxes
- » Excise Tax on Marijuana

Information Source: [https://www.house.mi.gov/hfa/PDF/Alpha/Budget\\_Poster\\_FY22.pdf](https://www.house.mi.gov/hfa/PDF/Alpha/Budget_Poster_FY22.pdf)



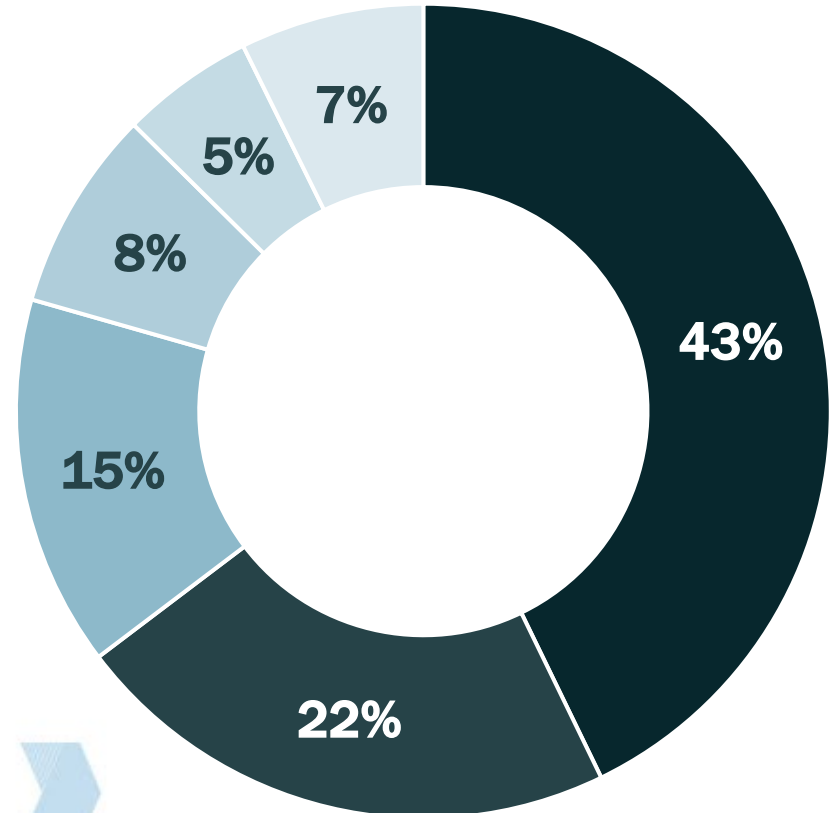
THE GOVERNOR JOHN ENGLER  
**CENTER FOR  
CHARTER SCHOOLS**  
CENTRAL MICHIGAN UNIVERSITY

# State of Michigan Budget

## Michigan Tax System and Budget

### 2021-2022 Components of School Aid Fund (SAF)

- Sales Tax
- Income Tax
- State Education Tax (Property Tax)
- Lottery Transfer
- 33% of Use Tax
- All other Tax components



Information Source: [https://www.house.mi.gov/hfa/PDF/Alpha/Budget\\_Poster\\_FY22.pdf](https://www.house.mi.gov/hfa/PDF/Alpha/Budget_Poster_FY22.pdf)



# How do funds from SAF flow to individual schools?

**School  
Aid  
Fund  
\$\$\$**

## **School Aid Payments**

- » Foundation Allowance
- » Retirement Reimbursements
- » At Risk Programs
- » Early Childhood Programs



Noor International Academy



THE GOVERNOR JOHN ENGLER  
**CENTER FOR  
CHARTER SCHOOLS**  
CENTRAL MICHIGAN UNIVERSITY



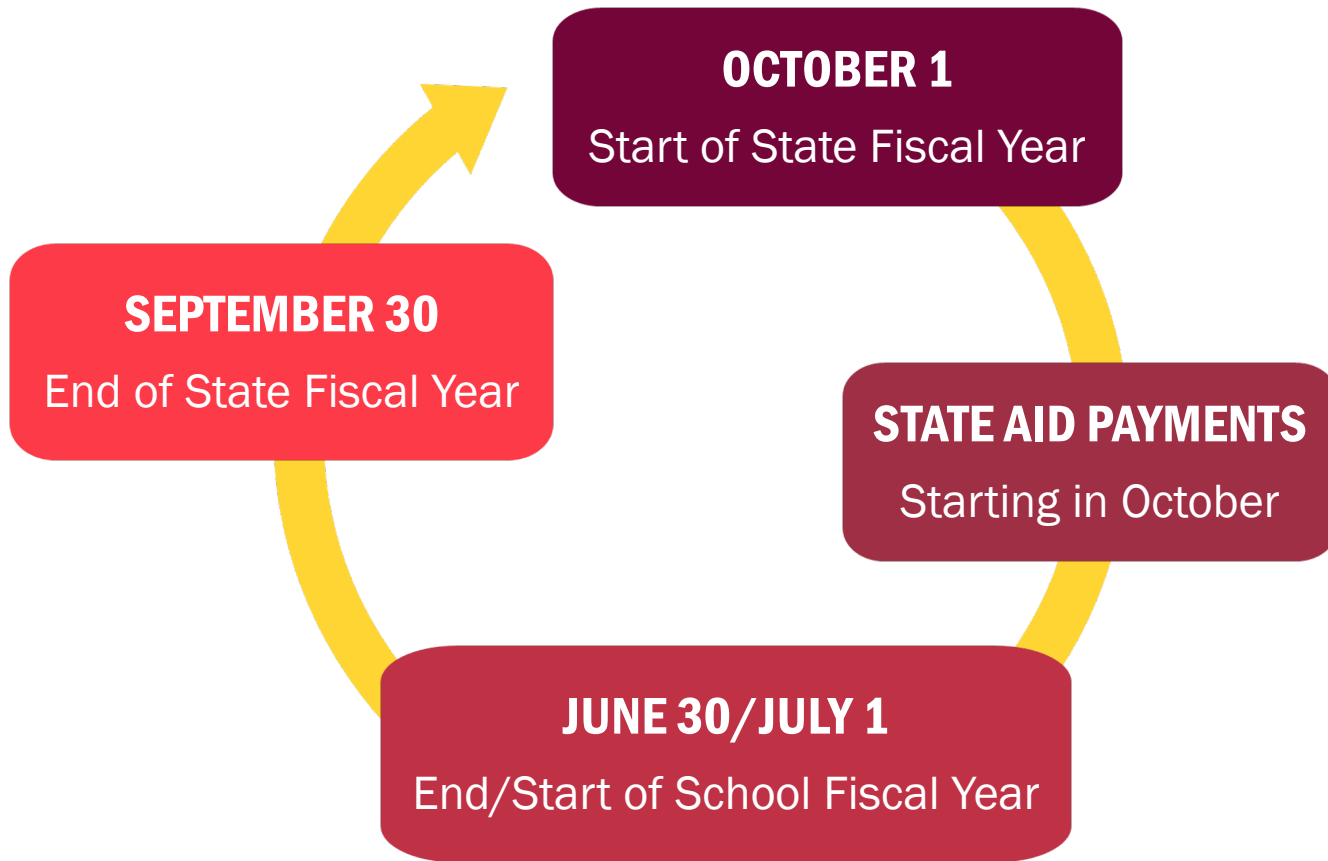
# How many State Aid Payments do schools receive during the year?



# In what month do schools NOT receive State Aid?



# Fiscal Year – State vs. Schools



**Does your school utilize short-term borrowing aka State Aid Anticipation Notes (SAAN)?**



# Fiscal Year – State vs. Schools

## State Aid Anticipation Notes/SAAN

- » Not *Revenue*; will not be seen on the *Financial Statements* except...
- » *Interest Expense* and *Dues and Fees* related to the Note appear on the *Statement of Revenues, Expenditures and Changes in Fund Balance*
- » Appears as an *Asset* AND a *Liability* on the Balance Sheet
- » Funds from the Note/Financing are used to “fill the gap” in September to ensure that a School has *Cash* to pay for *Expenditures/Liabilities*



# What is “normal” to see in an Academy Budget?



# Academy Budget

## What is “Normal”?

- » Clear and Easy to Understand
- » General Appropriations Resolution (GAR)
  - Function Level
- » Detailed Budget & Financial Statements
  - Object Level
  - 3 Columns



# Academy Budget

## What is NOT “Normal”?

» General Ledger Detail

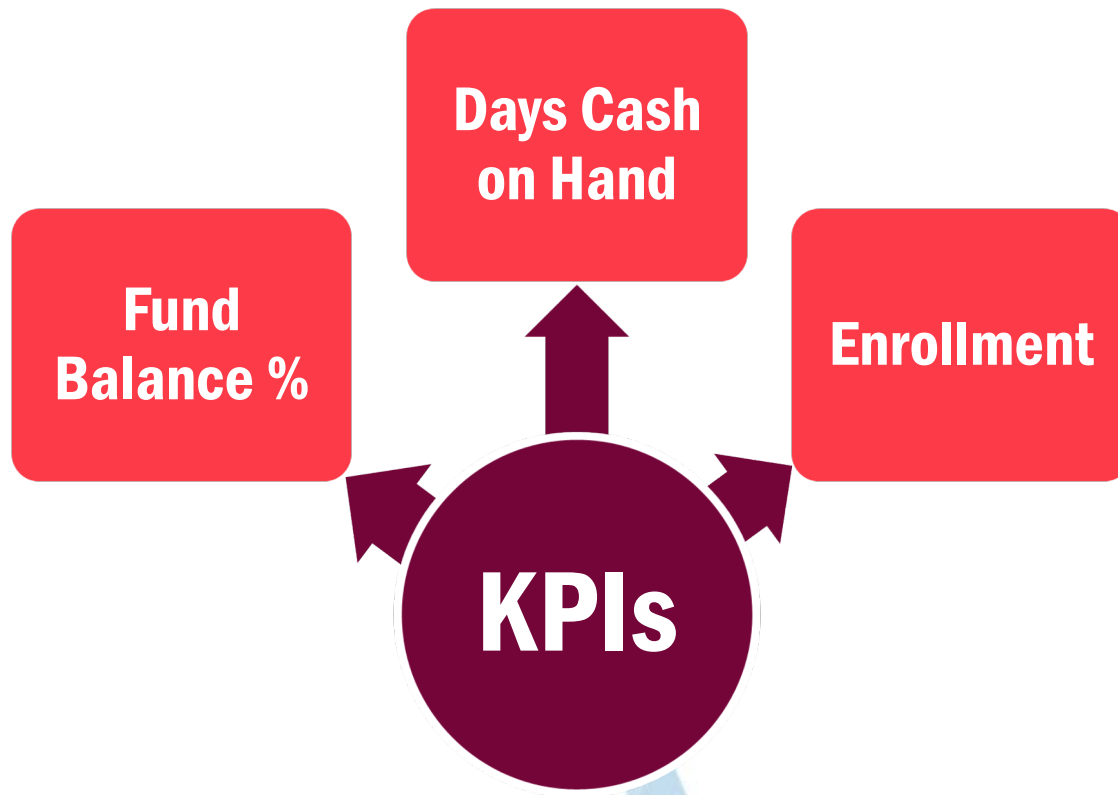
» Lots of Coding

(Example: 11-111-3110-000-0000-12901-0000)



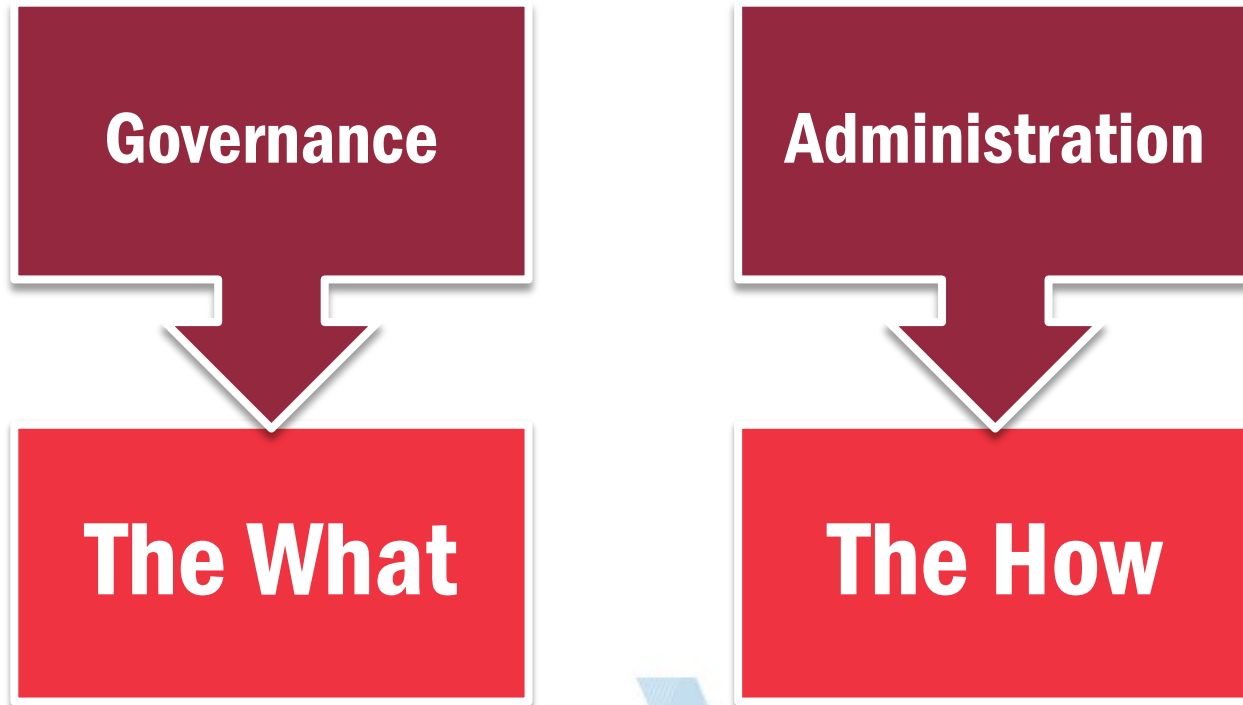


# Academy Budget Industry Standards



# Academy Budget

## Governance vs. Administration



# Academy Budget Grants Timeline

## » Title Funds & Other Federal Grants

- Application Process with an initial deadline in the Spring
- Reimbursed as funds are spent

## » State

- Paid throughout the year/as you go



# Academy Budget

## The Roll of 22a/b Funds and How it Drives Budget Amendments

STATE OF MICHIGAN  
2022-2023 State Aid Financial Status Report  
Payment Dated: 01/20/2023

District: 12901 ISD: 12  
Pansophia Academy

|                    |          |
|--------------------|----------|
| FY 2023 Foundation | 9,150.00 |
| FY 1995 Foundation | 4,802.05 |

**Current Year (CY)  
Per-Pupil Allocation from SAF**

|                             |        |
|-----------------------------|--------|
| State Aid Membership        | 430.16 |
| General ED K-12 (23a: 8.67) | 430.16 |
| Supplemental 2022           | 394.43 |
| Fall 2022                   | 424.50 |
| Special ED K-12 Sec 52      |        |
| Supplemental 2022           |        |
| Fall 2022                   |        |
| Special ED K-12 Sec 53      |        |
| Supplemental 2022           |        |
| Fall 2022                   |        |

**Based on Pupil Blend  
10% Prior Year (PY) Spring Count  
90% CY Fall Count**

|                              |      |                           |           |
|------------------------------|------|---------------------------|-----------|
| Local Revenue Per GE         | 0.00 | Special Ed. Costs         | 42,247.00 |
| Local Revenue Per Membership | 0.00 | Special Ed. Transp. Costs | 0.00      |

**Foundation Allowance  
Roughly 90% of total State  
Aid for most PSAs**

| CURRENT YEAR ALLOWANCES |                                    | Amount                | Pct to Date | Previous Amts         | Current Amt |
|-------------------------|------------------------------------|-----------------------|-------------|-----------------------|-------------|
| 51c                     | SPEC ED HEADLEE OBLIGATION         | 12,088.47             | 36.36%      | 3,296.53              | 1,098.84    |
| 22b/51e                 | DISCRETIONARY PAYMENT              | 1,870,314.17          | 36.36%      | 509,038.70            | 171,007.53  |
| 22b                     | PSA PROTECTED                      | 2,065,649.83          | 36.36%      | 562,202.71            | 188,867.57  |
| 31A                     | AT RISK                            | 383,019.00            | 36.36%      | 104,449.28            | 34,816.43   |
| 61d                     | CTE PER PUPIL INCENTIVE            | 198.21                | 36.36%      | 54.05                 | 18.02       |
| 35a(5)                  | EARLY LITERACY TARGETED INSTRUCTIO | 8,319.00              | 36.36%      | 2,268.59              | 756.20      |
| 152a                    | HEADLEE OBLIGATION FOR DATA COLLEC | 11,592.14             | 36.36%      | 3,155.18              | 1,059.72    |
| 31d                     | SCHOOL LUNCH                       | 5,150.40              | 36.36%      | 1,404.51              | 468.18      |
|                         |                                    | <b>\$4,356,331.22</b> |             | <b>\$1,185,869.55</b> |             |

Note: Payments under Section 147c should be forwarded to ORS upon receiving an invoice notice

**State Aid  
Total CY State Aid**



# What are major components of an Academy Budget?



# “Typical” Budget

## General Appropriations Resolution (GAR)

» Function Level

» Revenue + Fund Balance

- Total Amount to appropriate

» Expenditures

**A Resolution of A Public School Academy Board of Directors**

Resolved, that this resolution shall be the general appropriations act of **A Charter School Academy** for the fiscal year **2023-2024**; a resolution to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all revenue received by **A Charter School Academy**.

Be it further resolved, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the **General Fund** of A Charter School Academy for fiscal year **2023-2024**, is as follows:

|                                |      |
|--------------------------------|------|
| <b>Revenues</b>                |      |
| Local                          | \$ - |
| State                          | -    |
| Federal                        | -    |
| Incoming Transfers             | -    |
| Fund Modifications             | -    |
| <b>Total Revenues</b>          | \$ - |
| Beginning Fund Balance July 1  | -    |
| Total Available to appropriate | -    |
| Total Expenditures             | -    |
| Ending Fund Balance June 30    | -    |

Be it further resolved, that \$ \_\_\_\_\_ of the total available to appropriate in the **General Fund** is hereby appropriated in the amounts and for the purposes set forth below:

|                             |      |
|-----------------------------|------|
| <b>Expenditures</b>         |      |
| Instruction:                |      |
| Basic Programs              | \$ - |
| Added Needs                 | -    |
| Support Services:           |      |
| Pupil Support               | -    |
| Instructional Staff Support | -    |
| General Administration      | -    |
| School Administration       | -    |
| Business Services           | -    |
| Operations & Maintenance    | -    |
| Transportation              | -    |
| Central                     | -    |
| Other                       | -    |
| Community Services          | -    |
| Debt Service                | -    |
| Fund Modifications          | -    |
| <b>Total Expenditures</b>   | \$ - |

Further resolved, that no board of directors member or employee of the academy shall expend any funds or obligate the expenditure of any funds except pursuant to appropriations made by the board of directors and in keeping with the budgetary policy statement hitherto adopted by the board. Changes in the amount appropriated by the board shall require approval of the board.

**Secretary's Certification:**  
I certify that the foregoing resolution was duly adopted by **A Charter School Academy** Board of Directors at a properly noticed open meeting held on the \_\_\_\_\_ day of \_\_\_\_\_ where a quorum was present.

\_\_\_\_\_  
John Doe, Secretary of the Board



# “Typical” Budget

## A Resolution of A Public School Academy Board of Directors

Resolved, that this resolution shall be the general appropriations act of *A Charter School Academy* for the fiscal year **2023-2024**; a resolution to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all revenue received by *A Charter School Academy*.

Be it further resolved, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the *General Fund* of A Charter School Academy for fiscal year **2023-2024** is as follows:

| Revenues                       |             |
|--------------------------------|-------------|
| Local                          | \$ -        |
| State                          | -           |
| Federal                        | -           |
| Incoming Transfers             | -           |
| Fund Modifications             | -           |
| <b>Total Revenues</b>          | <b>\$ -</b> |
| Beginning Fund Balance July 1  | -           |
| Total Available to Appropriate | -           |
| Total Expenditures             | -           |
| Ending Fund Balance June 30    | -           |



**How do we know  
what goes here?**



# “Typical” Budget

Resolved, that \$\_\_\_\_\_ of the total available to appropriate in the **General Fund** is hereby appropriated in the amounts and for the purposes set forth below:

**Expenditures**

|                             |    |   |  |
|-----------------------------|----|---|--|
| Instruction:                |    |   |  |
| Basic Programs              | \$ | - |  |
| Added Needs                 |    | - |  |
| Support Services:           |    |   |  |
| Pupil Support               |    | - |  |
| Instructional Staff Support |    | - |  |
| General Administration      |    | - |  |
| School Administration       |    | - |  |
| Business Services           |    | - |  |
| Operations & Maintenance    |    | - |  |
| Transportation              |    | - |  |
| Central                     |    | - |  |
| Other                       |    | - |  |
| Community Services          |    | - |  |
| Debt Service                |    | - |  |
| Fund Modifications          |    | - |  |
| <b>Total Expenditures</b>   | \$ | - |  |

**Teacher Salaries, Classroom Equipment & Supplies, Curriculum**

**Non-Instructional Salaries, Professional Development, Management Fee, Lease, Transportation, Utilities, etc.**

**Long Term Financing Payments, Transfers Between Funds**

Further resolved, that no board of directors member or employee of the academy shall expend any funds or obligate the expenditure of any funds except pursuant to appropriations made by the board of directors and in keeping with the budgetary policy statement hitherto adopted by the board. Changes in the amount appropriated by the board shall require approval of the board.

**Secretary’s Certification:**





# One Time Costs vs Legacy



## Teachers & Staff

- » Stipend
- » Schedule Increases
- » Benefits



## Transportation

- » Purchase Buses
- » Contract



## Custodial Services

- » Hire Staff
- » Contract



## Pupil Supports

- » Hire Staff
- » Contract



# When should school budgets be amended?



# Reporting Requirements

## Budget, Audit & Quarterly Financial Statement Timelines





Island City Academy

# Key Takeaways



THE GOVERNOR JOHN ENGLER  
**CENTER FOR  
CHARTER SCHOOLS**  
CENTRAL MICHIGAN UNIVERSITY

# Questions?

**Michael Wrobel**

[mwrobel@TheCenterforCharters.org](mailto:mwrobel@TheCenterforCharters.org) | 517-285-3830

**LauraLea Lane**

[llane@TheCenterforCharters.org](mailto:llane@TheCenterforCharters.org) | 989-774-1015

**Suzanne Ballard**

[sballard@TheCenterforCharters.org](mailto:sballard@TheCenterforCharters.org) | 989-774-2100



THE GOVERNOR JOHN ENGLER  
**CENTER FOR  
CHARTER SCHOOLS**  
CENTRAL MICHIGAN UNIVERSITY