



THE GOVERNOR JOHN ENGLER

**CENTER FOR
CHARTER SCHOOLS**

CENTRAL MICHIGAN UNIVERSITY

BUDGETING REQUIREMENTS

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 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 public 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 the following outline of statutory requirements that must be met when preparing a school's annual operating budget.

We hope that this document will be used as a resource to help prepare the Original Budget and anticipate reporting requirements. This document is available on our website at www.TheCenterForCharters.org, which also includes sample resolutions and budget templates.

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. A summary of those requirements are as follows:

- The school board is required to designate, by resolution, a Chief Administrative Officer (CAO) (**Sample Resolution**).
 - The CAO assumes final responsibility for the preparation and presentation of the recommended budget and controls the budget throughout the year.
- The school board is required to approve a Budget Timeline (**Sample Resolution**).
 - 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 school 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 school board annually adopt its Budget Timeline prior to starting the budget process.
- The CAO is required to prepare a budget for the school'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 (**Sample Template**):
 1. Last Year Actual (Audited Financial Statements)
 2. Current Year Projection (agrees with the most recent board approved budget)
 3. Proposed Budget
- The school is required to publish a public hearing notice in a general circulation newspaper (**Sample Template**). The notice must:
 - Be published at least six days prior to the hearing date.
 - Include each of the following elements:
 1. School 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 school is required to present the Original Budget for the General Fund and any Special Revenue Fund at a properly noticed public hearing before it is approved by the school board.
- The school board is required to approve, by resolution, the Original Budget for the General Fund and any Special Revenue Fund prior to July 1 (**Sample Resolution**).
- All budget amendments are required to be approved, by resolution, by the school 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 (**Sample Resolution**).
- Any violations of the UB&AA, as disclosed in the school 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.