



Better Budgeting

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Introduction

- Budgets for townships are legally mandated revenue raising and expenditure plans. (PA 2 of 1968)
- Today's session will provide you with:
 - an overview of the budgeting process,
 - accounting integration,
 - some useful tools in developing revenue and expenditure line items and,
 - an understanding of the legal requirements for budget approval.

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The Budgeting Cycle

Budgeting is not an event in time—it is a cycle!



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Overview of the Budget Process

- Public Act 2 of 1968, The Uniform Accounting and Budgeting Act requires the township to develop a budget
 - MCL 141.434 – 141.439

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Public Act 2 of 1968

- Requires adoption of a budget
- Designates responsibilities among officials
 - Chief administrative officer
 - The township board
- Defines procedures to follow
- Indicates information to be provided
- Requires budgets to be balanced for each fund

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Budget Responsibilities

- The chief administrative officer (supervisor)
 - Has final responsibility for budget preparation
 - Is responsible for presentation of the budget to the township board
- Department heads
 - Should provide department information to the supervisor for budget preparation
 - Charter townships 150 days

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Budget Responsibilities

- The supervisor transmits the recommended budget to the board according to a schedule developed by the board
 - Charter townships 120 days
- The schedule should allow the township board adequate time to review and approve the recommended budget
- The township board may request additional information for consideration of the budget

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Budget Responsibilities

- The supervisor shall provide a suggested general appropriations act to implement the budget along with the recommended budget
- The township board holds a public hearing prior to final approval

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Budget Responsibilities

- The township board must pass a general appropriations act as formal approval of the budget for :
 - The General Fund and
 - Each Special Revenue Fund
- The township board determines the amount of money to be raised by taxation

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Required Information

- Estimated Beginning Fund Balance for the New Fiscal Year
- Revenues and Expenditures For the Prior Fiscal Year; Estimated Amounts for the Current Year, and Estimate by Source and Use for the Ensuing Year
- Estimate of ending Fund Balance for the Current Year, Amounts Needed for Contingencies, and Other Information

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Current Year Budget Actual and Projected Results

- Typically Produced Directly from Financial Software such as BS&A, Fund Balance, etc.
- QuickBooks Users? Generally have to use 'memorized' reports, and will only be able to track only one budget, while true governmental software tracks, original and amended budgets. 11



Format of Budget Presentation

- Narrative Budget- See appendix of the MTA's Publication, *Building a Better Budget, or David's web site:*
www.pslz.com
- Columnar Budget-also available at the above, or is produced by accounting software

Columnar Budget Presentation

		actual	Budget	Anticipated	Prop. 2016
		2014	FYE 2015	FYE 2015	Budget
Revenue					
	101-000-401 Property Taxes	146,213.00	145,000.00	150,000.00	151,000.00
	101-000-450 License and Permits	5,809.00	2,500.00	2,500.00	2,500.00
	101-000-539 State Shared Revenue	172,869.00	170,000.00	168,000.00	168,000.00
	101-000-600 Charges for Services	410.00	100.00	250.00	0.00
	101-000-655 Fines and Forfeits	274.00	100.00	300.00	0.00
	101-000-664 Interest Income	3,239.00	2,500.00	3,000.00	2,500.00
	101-000-671 Miscell. Revenue				
	101-000-674 Recycling Revenue	11,235.00	10,000.00	11,000.00	10,000.00
	101-000-671 Miscell. Revenue - Other	12,944.00	10,000.00	10,000.00	15,000.00
	Total Revenue	352,993.00	340,200.00	345,050.00	349,000.00

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Narrative Budget

Expenditures Budget By Activity/Cost Center

Township Board—Activity 101

The township board is the legislative body of township government. The board of _____ Township consists of seven members, all of whom are elected for four-year terms. The board consists of the supervisor, clerk, treasurer and four trustees. It has the power to adopt ordinances and set township policy. It is the duty and responsibility of the township board to formally adopt the township budget after the required public hearing. Expenses include salaries of the trustees, association dues, education and training costs, and miscellaneous expenses.

Policy Recommendations for Board Action

Most policy recommendations are received from the various department heads.

Past Policy Actions Affecting Service Levels or Current Costs

1. Board voted to collect summer property taxes if requested by any or all of the several school districts and/or the intermediate school district.
2. The board adopted a resolution to levy a 1 percent property tax administration fee on all property taxes collected prior to February 15, and a 3 percent late charge on taxes collected after February 14, with board option to waive any or all such fees in any given year.

Explanation of Changes in Costs

1. Salaries and Wages--The increase is necessary to provide each trustee with a \$500 salary increase.
2. No other significant changes are anticipated.

Account #	Account	Actual Prior Year	Estimated Current Year	Budget Request
702	Salaries-Trustees	\$ 11,050	\$ 10,000	\$ 10,500
711	Social Security	-0-	765	803
740	Operating Supplies	534	1,000	1,560
950	Seminars & Workshops	3,893	5,000	5,000
951	Memberships & Dues	7,381	7,680	7,910
	Total	\$22,858	\$24,445	\$25,773

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Estimating Year End Fund Balance

- Usually dictated in the budget document
- Ending Balance from Previous Year minus anticipated use of fund balance

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How to Calculate a Year-End Fund Balance		
Fiscal year July to June		
Year end Balance Estimates Made on February 28		
	Example A	Example B
	Surplus	Deficit
Fund Balance as of prior Fiscal year (6-30)	\$ 75,000	\$ 75,000
Revenue as of Current Date 2-28	600,000	600,000
Expenditures as of current date 2-28	(550,000)	(550,000)
Change in fund balance through 2-28	50,000	50,000
Fund balance 2-28	125,000	125,000
Estimated revenues balance of fiscal year	150,000	80,000
Estimated expenditures balance of fiscal year	(220,000)	(220,000)
Estimated year end fund balance 6-30	\$ 55,000	\$ (15,000)
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What Is A Balanced Budget?

- From *Building A Better Budget* by Larry Merrill
 - The correct definition of a balanced budget is "estimated revenues plus estimated current year-end surplus must equal or exceed estimated expenditures plus estimated current year-end deficit."
- In other words estimated revenue + estimated fund balance – estimated expenditures = 0 or more

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Other Requirements

- Township must use "modified accrual" method of accounting, and "fund system" for "governmental operations"
- State requires use of it's "Uniform Chart of Accounts"

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Which Fund Types Require Budgets Under State Law?

- General Fund and Special Revenue Funds must have annual budgets.
- Debt Service, Capital Projects, and Proprietary Fund Budgets are optional
- Some Townships have ordinances or policies requiring annual budgets for all funds

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Restricted Funds

External restrictions:

Voted millage special revenue funds

Statutory-liquor law enforcement, building code revenues

Internal restrictions:

Budget stabilization fund (MCL 141.441)

Public improvement fund (MCL 141.261)

Township improvement revolving (MCL 41.735b)

All require budgets outside of the general fund

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The Budget Development Process

- The supervisor should:
 - Develop: forms to compile budget requests from departments,
 - Create: a budget calendar, working back from the date when the board should adopt the budget and,
 - Prepare: a budget narrative.

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Use of Budget Forms

- Encourage departments:
 - to compile as much historical data on each line item as possible to develop trends,
 - to evaluate programs and operations within their department and,
 - to use a narrative to explain significant changes or new program requests.

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Budget Calendar

Activity	Completed
■ Forms developed	Date
■ Informational meeting with department heads	Date
■ Departments submit budget recommendations	Date
■ Recommendations compiled by chief administrative officer	Date
■ Budget meetings with department heads	Date
■ Recommended budgets delivered to township board	Date
■ Township board reviews and adopts tentative budgets	Date
■ Public hearing(s)	Date
■ Township board adopts general appropriations act	Date

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Budget Narrative

- Short range policies with budgetary impacts
- Components in the township's capital improvement plan that will be implemented
- Mandated costs i.e. salaries and wages, debt service
- How to handle wage increases
- Fringe benefit formulas
- New revenue sources
- Directions to hold the line or propose new programs
- Three to five year projections for capital outlays

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Estimating Revenues

- Prior year surplus
- Real and personal property taxes
- Property tax admin. fee/penalties
- Local revenues
- State shared revenues
- Other financing sources

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Property Taxes

- Taxable value v. Assessed value
- Millage rate=\$1.00 of revenue for every \$1,000 of taxable value
- Example: 1.50 mills on taxable value of \$50,000=\$75.00 of revenue
- Above example assumes rate after required "roll backs"

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Property Tax Administration Fee

- Adopted by resolution of the township board
- Up to 1%
 - Can not be applied to special assessments
- Revenues generated can only be used to offset costs of assessing, collecting and defending the tax roll
- Must document that costs exceed revenues
- See the MTA website for an adopting resolution sample

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Late Penalty Charges

- Adopted by resolution of the township board
- 3% penalty on taxes paid from February 15th through February 28th or the last day taxes can be paid before they become delinquent
 - Cannot charge on special assessments
 - The township board, by resolution, can waive the penalty on properties that have summer deferments
 - Cannot charge the penalty if the **tax bills are not** sent out by December 31
- See the MTA website for an adopting resolution sample

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Review Locally Generated Revenues

- User fees - cemetery, recreation, emergency services, etc.
- Permit fees
- Fines, interest and rents.
- Miscellaneous.

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Calculating Locally Generated Revenues

- Generally do not comprise a large portion of the budget
- Sometimes most “volatile”
- Should consider:
 - Trends - historical data
 - Rates - are costs being covered? How often are rates reviewed?
 - Amounts - how much can reasonably be anticipated?
 - Restrictions - any external or internal restrictions? e.g. code enforcement

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State Shared Revenues

- Can be largest source of revenues in the General Fund.
- <https://treas-secure.state.mi.us/apps/findrevshareinfo.asp>.
- Funding for the state revenue sharing program consists of a portion of the 4% sales tax collected (constitutional)

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Expenditures

- Preplanning:
- Budget statement should be reviewed so proposals conform to pre-established plans
- Capital improvement or strategic plans should be identified and incorporated into the expenditure projection
- Avoid using % increases
- Avoid same as last year, and reliance on budget amendments

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Personnel Costs

- Generally predictable and comprise 70-80% of the total expenditures
- Time consuming if numerous employees and line items
- Strategies:
 - Separate line items for elected officials, department heads and staff
 - Salary resolution included in budget package to the board

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Employee Salaries and Wages

- Degree of complexity depends on the sophistication of compensation system:
 - Union contracts
 - Employee wage scales based on job descriptions
 - Across the board increase applicable to all employees
 - General rule - compensation for non elected officials are set by township board

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Other Issues

- Additional staff should be accompanied by a detailed narrative showing total expenditures impacted by addition
- Part time seasonal - normally show by number of persons x hourly rates x no. Of weeks-suggest separate line item
- Per diems - suggest separate line items, within appropriate cost centers

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Payroll Taxes Unemployment

- FICA taxes require matching 6.20% of first \$118,000 (social security)
- Medicare 1.45% of all covered wages
- Some employees exempt from both
- Unemployment - most townships are reimbursing, only have to budget expected reimbursements
- Taxable employers: rate x first \$9,500

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Supplies and Materials

- Measure against historical trends
- Some townships charge all to central account (general fund, general government)
- As a minimum, recommend that certain specific supplies (e.g. tax preparation) be charged to appropriate cost centers (restricted revenue issue)
- Must balance simplicity with usefulness of tracking by department

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Contractual Services

- Major services such as: fire contracts and roads generally provided in a specific cost center
- Professional services such as legal and auditing may be allocated to more than one cost center, e.g. Legal split between general services, zoning, planning prosecution

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Debt Service

- Debt paid directly by operating accounts, general fund, fire, etc., still required to be budgeted.
- Debt paid by debt service funds no longer require budgets under state law.

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Equipment/Capital Improvement

- Not reliant on historical trends, should be justified on it's own merits.
- Needs to be prioritized.
- Consider using the Public Improvement Fund.

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Contingencies

- PA 2 indicates that an estimate should be made for contingencies (emergencies)
- An amount budgeted not to make expenditures from but to be used to make budget amendments
 - The amount needed for the unplanned appropriation is transferred from the contingency account to the expenditure account

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Elected Officials Compensation

- Can be established in one of three ways
 - By the electors at an annual meeting
 - By township board resolution
 - By a salary compensation commission

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Electors at Annual Meeting

- Board passes a resolution 30 days prior to holding the annual meeting (MTA recommends a separate resolution for each office)
 - Must state the date within the next fiscal year when the salaries become effective
- Electors approve the salaries of all elected officials
 - If trustees are paid per meeting the per meeting rate is set by the township board and not the electors

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Electors At Annual Meeting

- Once set, cannot be changed by the township board
- Electors can alter the amount stated in resolutions, but cannot reduce salary below what was paid in the previous yr.
- If the electors fail to act on the proposed compensation the amounts approved in the board resolution become effective

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Township Board Resolution

- MTA recommends a separate salary resolution for each official (Attorney General opinion 6422)
 - Must state the date within the next fiscal year when the salaries become effective
- Salary increases are subject to referendum if a petition signed by at least 10% of registered voters is submitted to the township clerk within 30 days of adoption of the salary resolution
 - Board must schedule an election
 - Salary adjusted as of the date the election is certified by the board of canvassers

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Salary Compensation Commission

- Applicable to both general law and charter townships
- Established by adopting an ordinance
- Establishment of a commission is subject to referendum within 60 days of adoption of the ordinance (5% if registered voters)
- A commission could be abolished by repealing the ordinance creating it and then publishing the ordinance. The repealing ordinance could be subject to a referendum

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Compensation Commission

- Five members appointed by the supervisor confirmed by majority of township board - 5 year staggered terms & must be appointed within 30 days of adopting the ordinance
- Required meetings, and procedural rules spelled out in MTA's "Understanding Compensation"
- The township board can accept or reject the findings of the commission, if the findings are rejected salaries are "frozen" at the existing levels
- If a commission is established, neither voters at annual meeting, nor the board may set the salaries of the elected officials (except trustees per diem)

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Adopting the Budget

- The required public hearing
- Final changes to the budget
- The General Appropriations Act
- Budget monitoring/amendments

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The Required Public Hearing

- Hearing requirements
 - Publish a notice in a newspaper
 - General law townships at least 6 days prior to the hearing
 - Charter townships at least 7 days prior to the hearing
 - The notice should include the statement “**The property tax millage rate proposed to be levied to support the proposed budget will be a subject of this hearing.**” The statement must be printed in 11-point boldfaced type.

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Public Hearing (Continued)

- A public hearing is never a stand alone meeting. It is always an agenda item for a regular or special meeting.
- The Supervisor opens the public hearing at the scheduled time
 - Offer brief overview of the proposed budget
 - Allow citizen comment (can have rules for public comment)
 - Close public hearing
 - A charter township with a fiscal year that is the calendar year must have conducted the budget public hearing by December 15

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Sample Language For Publication:

The (name) Township Board will hold a public hearing on the proposed township budget for fiscal year (year) at (location of meeting of public body) on (date) at (time). *The property tax millage rate proposed to be levied to support the proposed budget will be a subject of this hearing. A copy of the budget is available for public inspection at (location where copies are available).

Note: This sample budget public hearing notice meets the minimum statutory requirements. The township may consider including additional information in the notice, such as summary of major revenues and expenditures categories and their proposed appropriations.

Note: It is recommended that all notices published and/or posted contain the following language to comply with The Americans With Disabilities Act:

The (name) Township board will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting upon (number of days) notice to the (name) Township board. Individuals with disabilities requiring auxiliary aids or services should contact the (name) Township board by writing or calling the following: (List the name, address and telephone number of contact person).

**NOTICE OF PUBLIC HEARING
CHERRY LANE TOWNSHIP
2014 PROPOSED BUDGET**

A PUBLIC HEARING WILL BE HELD ON XXX XXXXXXXX at approximately 7:00 p.m. in the Cherry Lane Township Hall, 123 Main Street, Cherry Lane Michigan on the following proposed 2014 budget:

General Fund	<u>\$ 458,179</u>
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THE FOLLOWING PROPERTY TAX MILLAGE RATE PROPOSED TO BE LEVIED TO SUPPORT THE ABOVE PROPOSED BUDGET WILL BE A SUBJECT OF THIS HEARING:

<u>Operating</u>	<u>Rate</u>
General	<u>0.9800</u>

The proposed 2014 budget documents are available at the Township Clerk's Office for public examination.

**Cherry Myway, Clerk
Cherry Lane Township**

Individuals with disabilities requiring auxiliary aids or services should contact Sherry Myway Clerk, Cherry Lane Township , 123 Main Street, Cherry Lane, MI XXXXX, phone number XXX-XXX-XXXX.

PUBLISHED: October 4, 2013



Final Changes Before Adoption

- Changes can be made to the budget based on public comment at the public hearing and/or based on board comments prior to adoption of the budget
- Additional public hearings are optional
- The budget can be adopted immediately following the public hearing, but that may not present the best public image. The public may believe their comments were ignored.

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Adopting the Budget - The General Appropriations Act

- All townships are required to adopt a budget prior to the beginning of the townships new fiscal year
- If a budget has not been adopted by the beginning of the new fiscal year there is no authorization to spend money. The township stops functioning.

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What Is The General Appropriations Act?

- “General Appropriations Act” means the budget as adopted by the legislative body...

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The General Appropriations Act

- Is a financial, operating, and capital expenditure **plan**
- Is the townships written financial policy
- Is required for all funds (except trust and agency)
- Can include rate adjustments on user fees
- Identifies inter-fund transfers

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The General Appropriations Act

- Must state the total mills to be levied and the purpose for each millage levied
- Must include amounts appropriated for expenditures
- Must include estimated revenues by source
- Must use (be consistent with) uniform chart of accounts

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The General Appropriations Act

- Must indicate if the budget is adopted by line item or activity
- Establishes administrative responsibilities

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Format of The General Appropriations Act

- Not well defined by state law
- Must use uniform chart of accounts
- Must indicate if the budget is adopted by line item or activity
- Should include property tax millage rates
- Establishes administrative responsibilities

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**ACME TOWNSHIP GENERAL APPROPRIATIONS ACT
FISCAL YEAR 2012-13
RESOLUTION #R-2012-12**

A RESOLUTION TO ESTABLISH A GENERAL APPROPRIATIONS ACT FOR ACME TOWNSHIP: TO DEFINE THE POWERS AND DUTIES OF THE ACME TOWNSHIP OFFICERS IN RELATION TO THE ADMINISTRATION OF THE BUDGET.

The Board of Trustees of Acme Township resolves:

SECTION 1: TITLE This resolution shall be known as the Acme Township General Appropriations Act.

SECTION 2: PUBLIC HEARINGS ON THE BUDGET

Pursuant to MCLA 141.412; MCLA 141.413, notice of a public hearing on the proposed budget was published in the Traverse City Record Eagle on May 30, 2012 and a public hearing was held regarding the proposed budget on June 5, 2012.

SECTION 3: CHIEF ADMINISTRATIVE OFFICER

The Supervisor shall be the Chief Administrative Officer and shall perform the duties of the Chief Administrative Officer enumerated in this Act (Sections 10, 14), including annual preparation and presentation of the Acme Township Budget and periodically introducing budget adjustments and resolutions as deemed necessary.

SECTION 4: FISCAL OFFICER

The Clerk shall be the Fiscal Officer and shall perform the duties of the Fiscal Officer enumerated in this Act (Sections 11,12), including providing the Chief Administrative Officer with timely and accurate budget status reports no later than four (4) days prior to township meetings. The Fiscal Officer shall not expend any monies out of any cost center above cost center budgets.

SECTION 5: MILLAGE LEVY

The Acme Township Board shall cause to be levied and collected the general property tax on all real and personal property within the Township upon the current tax roll an allocated millage of 0.7333 mills for township operations; and a voter authorized millage of 0.9204 for purchase of farmland development rights.

SECTION 6: ESTIMATED REVENUES

Estimated Township General Fund Revenues for fiscal year 2012-13 are based on Acme Township's statutory 1 mill (subject to the Headlee Amendment), State Revenue Sharing and various miscellaneous revenues as listed in the proposed budget:

General Fund 101:	
2012-13 Expected Revenues Only	\$715,321
Expected Revenue plus Fund Balance Forward	\$2,013,548
Fire Fund: (from portion of 2.6 mill Emergency Services Special Assessment)	
2012-13 Expected Revenues Only	\$685,679
Expected Revenue plus Fund Balance Forward	\$732,453
Township Community Policing Officer Fund: (from portion of 2.6 mill Emergency Svcs Sp. Assmt.)	
2012-13 Expected Revenues Only	\$36,847
Expected Revenue plus Fund Balance Forward	\$230,085
Cemetery Fund:	
2012-13 Expected Revenues Only	\$6,500
Expected Revenue plus Fund Balance Forward	\$9,756
Liquor Control Fund	
2012-13 Expected Revenues Only	\$9,420
Expected Revenue plus Fund Balance Forward	\$21,799
Shoreland Preservation Fund:	
2012-13 Expected Revenues Only	\$985,322
Expected Revenue plus Fund Balance Forward	\$1,523,222
Farmland Preservation Fund:	
2012-13 Expected Revenues Only	\$265,185
Expected Revenue plus Fund Balance Forward	\$771,627

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Oil & Gas Lease Fund:	
2012-13 Expected Revenues Only	\$0
Expected Revenue plus Fund Balance Forward	\$31,088
New Urbanist Town Center Fund:	
2012-13 Expected Revenues Only	\$100
Expected Revenue plus Fund Balance Forward	\$27,893
Township Improvement Revolving Fund:	
2012-13 Expected Revenues Only	\$6,500
Expected Revenue plus Fund Balance Forward	\$36,534

SECTION 7: ESTIMATED EXPENDITURES

Estimated General Fund expenditures for fiscal year 2012-13
Various Township activities (cost centers) are as follows:

Township Board Expenditures:	\$188,448
Supervisor's Expenditures:	41,005
Election Expenditures:	13,150
Assessor's Expenditures:	39,383
Clerk's Expenditures:	71,259
Board of Review Expenditures:	1,161
Treasurer's Expenditures:	68,336
Buildings/Grounds Expenditures:	39,714
Planning/Zoning Expenditures:	134,534
Maintenance Expenditures:	94,811
Retirement Plan Management Expenditures:	1,000
Insurance Expenditures:	15,000
Transfers Out:	0
Capital Outlay:	800
Other Expenditures:	1,150
Total:	<u>\$709,750</u>

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Other Fund Expenditures:

Fire Fund:	\$685,679
Township Community Policing Officer Fund:	\$79,230
Cemetery Fund	\$5,750
Liquor Control Fund	\$9,420
Shoreline Preservation Fund:	\$1,219,800
Farmland Preservation Fund:	\$251,200
Oil & Gas Lease Fund:	\$16,000
New Urbanist Town Center Fund:	\$25,000
Township Improvement Revolving Fund:	\$0

SECTION 8: ADOPTION OF BUDGET BY REFERENCE

The General Fund Budget of Acme Township is hereby adopted by reference, with revenues and activity expenditures as indicated in Sections 6 and 7 of this act.

SECTION 9: ADOPTION OF BUDGET BY COST CENTER

The Board of Trustees of Acme Township adopts the 2012-13 year General Fund and all other Fund budgets by cost center. Township officials responsible for the expenditures authorized in the budget may expend Township funds up to, but not to exceed, the total appropriation authorized for each cost center, and may take transfers among the various line items contained in the cost center appropriations. However, no transfers of appropriations for line items related to personnel may be made without prior Board approval by budget amendment.

SECTION 10: TRANSFER AUTHORITY

The Chief Administrative Officer shall have the authority to make transfers among the various cost centers (or line items) without prior Board approval, if the amount to be transferred does not exceed 50% of the appropriated item from which the transfer is to be made. The Board shall be notified at its next meeting of any such transfers made and reserves the right to modify, amend or nullify any such transfers made. Under no circumstances may the total General Fund Budget be changed without prior Board approval.

SECTION 11: LIMIT ON OBLIGATIONS AND PAYMENTS

No obligation shall be incurred against and no payment shall be made from any appropriation account unless there is a sufficient unencumbered balance in the appropriation and sufficient funds are or will be available to meet the obligation.

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SECTION 12: PAYMENT OF BILLS

Pursuant to MCL 41.75, all claims (bills) against the Township shall be approved by the Acme Township Board prior to being paid. The Township Clerk and Treasurer may pay certain bills prior to approval by the Township Board to avoid late penalties, services charges and interest (primarily utilities) and payroll in accordance with the approved salaries and hourly rates adopted in this appropriations act. The Township Board shall receive a list of claims (bills) paid prior to approval for approval at the next Board meeting.

SECTION 13: AUTHORIZED SALARY HOURLY AND PER DIEM RATES

Included in the various cost centers and special funds are amounts of the salary, hourly and per diem rates for the officials and employees of the Township as follows:

Trustee Salaries	\$500/month
Trustee Per Diems (meetings above 1/month)	\$50/meeting
Supervisor	\$30,000/year
Clerk	\$37,008/year
Deputy Clerk	\$15.75/hour for 848 hours
Treasurer	\$34,510/year
Deputy Treasurer	\$15.75/hour for 750 hours
Township Manager	\$50,000/year
Parks & Maintenance Supervisor	\$22.58/hour for 2080 hours
Zoning Administrator	\$15.00/hour for 1040 hours
Administrative Assistant	\$12.82/hour for 2080 hours
Planning Commission & ZBA Chair Per Diems	\$100/meeting
Planning Commissioner and ZBA Member Per Diems	\$75/meeting
Bayside Park Caretaker	\$9.00/hour for 295 hours
Sayler Park Caretaker	\$9.00/hour for 295 hours
Board of Review Members	\$15.00/hour
Election Precinct Chairpersons	\$10/hour plus \$35.00
Election Precinct Workers	\$10/hour

SECTION 14: BUDGET MONITORING

Whenever it appears to the Chief Administrative Officer or the Township Board that the actual and probable revenue in any fund will be less than the estimated revenues upon which appropriations from such fund were based, and when it appears that the expenditures shall exceed an appropriation, the Chief Administrative Officer shall present to the Township Board recommendations to prevent expenditures from exceeding available revenues or appropriations

for the current fiscal year. Such recommendations shall include proposals for reducing appropriations, increasing revenues, or both.

SECTION 14: BOARD ADOPTION

Motion made by F. Zarafonitis, seconded by L. Wikle to adopt the foregoing resolution.

Upon roll call vote, the following voted aye: Dunville, Hardin, Kledder, Scott, Takayama, Wikle, Zarafonitis

The following voted nay: None

The Supervisor declared the motion carried and the resolution adopted on the 5th day of June, 2012


Dorothy Dunville, Township Clerk

(attach pages from General Fund worksheet and all other funds worksheet)

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Financial Policies

- Departmental vs. line item - flexibility vs. control (micro-managing)
- Transfers between accounts within activities:
 - Could limit amount
 - Could limit type
- Who is authorized to spend and how much

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Budget Monitoring and Amendments

- The chief administrative officer and township board have responsibility for management of the budget
- Cannot legally spend money without the expenditure being appropriated in a budget
- Charter Townships must provide Quarterly financials - all townships should consider monthly
- Amendments are approved by a majority of the township board, and are recorded in the minutes

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Budget Monitoring

- Periodic review of programs, functions, activities
- Progress toward accomplishing goals
- Making efficient use of resources
- Provides accountability and information on which to base improvements

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Budget Amendments

- Has the township adopted a line item or an activity based budget?
- Most or all amendments are done by the township board
- Some amendments may be done by the chief administrative officer as authorized in the General Appropriations Act

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Budget Amendments

- Line item budget:
 - Any time a proposed expenditure will exceed the budgeted line item amount
 - Amendment should be completed before the expenditure is made/approved
 - Some accounting software will inform the clerk when a line item is exceeded

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Budget Amendments

- Departmental Budgets:
 - Must be done anytime a proposed expenditure will exceed the budgeted expenditures for that *activity*
 - The Board can authorize a department head to move money between line items within the departments budget without board approval

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Budget Amendment Methods

- Decrease another activity center budget which contains an obvious budget surplus
- Decrease the contingency activity center budget
- If revenues exceed budgeted amounts, amend both the revenues and expenditures budgets
- Decrease the estimated fund balance

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Bad Budgeting Township(FISCAL=3/31/16)				
Actual Results 9-30-15				
GL NUMBER	DESCRIPTION	ADOPTED BUDGET	AMENDED BUDGET	ACTIVITY THRU 09/30/2015
Fund 101: GENERAL FUND				
101-000-401.001	CURRENT PROPERTY TAXES	124,000	118,950	0
101-000-447.001	PROPERTY TAX ADMIN FEE	25,000	25,000	36,567
101-000-451.000	LICENSES & PERMITS	4,500	4,500	2,845
101-000-451.001	PLANNING REVENUES	2,500	8,500	6,513
101-000-539.000	STATE SHARED REVENUE	120,000	125,000	113,572
101-000-601.000	CHARGES FOR SERVICES	8,800	8,800	8,775
101-000-655.000	FINES AND FORFEITS	3,500	3,500	3,154
101-000-665.000	INTEREST INCOME	2,000	8,100	8,804
101-000-672.000	REFUNDS & REIMBURSE	4,500	4,500	5,819
101-000-674.000	CABLE TV FRANCHISE	14,000	14,000	20,297
101-000-699	APPROPRIATION OF FUND BALANCE	0	34,950	
Totals		308,800	355,800	206,346

Bad Budgeting Township(FISCAL=3/31/16)				
Actual Results 9-30-15				
GL NUMBER	DESCRIPTION	ADOPTED BUDGET	AMENDED BUDGET	ACTIVITY THRU 09/30/2015
Dept 101: TRUSTEE				
101-101-706.001	SALARY & WAGES	19,200	19,200	9,600
Totals for Dept 101-TRUSTEE		19,200	19,200	9,600
Dept 171: SUPERVISOR				
101-171-706.001	SALARY & WAGES	23,000	23,000	11,500
101-171-860.000	TRAVEL & TRANSPORTATION	1,420	1,420	0
Totals for Dept 171-SUPERVISOR		24,420	24,420	11,500
Dept 209: ASSESSOR				
101-209-727.002	POSTAGE	2,100	2,100	112
101-209-801.001	CONTRACTED SERVICE WAGES	39,000	39,000	19,500
Totals for Dept 209-ASSESSOR		41,100	41,100	19,612
Dept 215: CLERK				
101-215-706.001	SALARY & WAGES	23,000	23,000	11,500
101-215-706.002	DEPUTY WAGES	14,800	14,800	6,858
101-215-727.001	SUPPLIES	600	600	615
Totals for Dept 215-CLERK		38,400	38,400	18,973
Dept 216: ELECTION				
101-216-706.002	ELECTION WORKER WAGES	5,500	5,500	3,589
101-216-727.002	POSTAGE	2,510	2,510	1,470
Totals for Dept 216-ELECTION		8,010	8,010	5,059
Dept 247: BOARD OF REVIEW				
101-247-707.000	PER DIEM	3,400	3,400	2,700
Totals for Dept 247-BOARD OF REVIEW		3,400	3,400	2,700

GL NUMBER	DESCRIPTION	ADOPTED BUDGET	AMENDED BUDGET	ACTIVITY THRU 09/30/2015
Dept 253: TREASURER				
101-253-706.001	SALARY & WAGES	23,000	23,000	11,500
101-253-706.002	DEPUTY WAGES	14,000	14,000	5,713
101-253-727.002	POSTAGE	3,000	3,000	1,270
Totals for Dept 253-TREASURER		40,000	40,000	18,483
Dept 265: BUILDING & GROUNDS				
101-265-920.000	UTILITIES	6,670	6,670	2,719
101-265-956.000	MAINTENANCE	8,205	8,205	7,629
Totals for Dept 265-BUILDING & GROUNDS		14,875	14,875	10,348
Dept 294: GENERAL GOVERNMENT				
		Original	Amended	Actual
101-294-725.000	FICA/MED MATCH	7,550	7,550	3,799
101-294-727.001	SUPPLIES	5,795	5,795	1,638
101-294-728.000	TELEPHONE	4,200	4,200	2,210
Totals for Dept 294-GENERAL GOVERNMENT		17,545	17,545	7,647
Dept 400: PLANNING COMMISSION				
101-400-707.000	PER DIEM	7,150	7,150	2,850
101-400-801.005	PLANNING CONSULTANT	14,700	14,700	7,350
Totals for Dept 400-PLANNING COMMISSION		21,850	21,850	10,200
Dept 446: ROAD COMMISSION				
101-446-801.002	CONTRACTED SERVICES	60,000	105,000	108,251
Totals for Dept 446-ROAD COMMISSION		60,000	105,000	108,251
Dept 851: INSURANCE				
101-851-805.000	INSURANCE	20,000	22,000	23,670
Totals for Dept 851-INSURANCE		20,000	22,000	23,670
TOTAL APPROPRIATIONS		308,800	355,800	246,043

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Acknowledgements

- Charter Township of Ypsilanti
- Acme Township
- Dr. Eric Scorsone
- Dr. Colby Harmon UCSB
- Intuit
- BS&A Software
- Fund Balance Software
- Pontem Software

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