

REMINDER TO DISTRICTS THAT PLEDGED THEIR AUGUST PAYMENT

Approximately 121 school districts participated in the Michigan Finance Authority's (MFA) State Aid Note (SAN) Program 2016 C-3 (no set-aside pool), and pledged 100% of their August 2017 school aid payment for the repayment of this obligation. If your district participated in this program, please be reminded that all or part of your August payment will not be deposited in your bank account. Rather, the note set-aside portion will be deposited with the Michigan Finance Authority. If you have questions please contact Nichole Dorr, Michigan Finance Authority, 517-335-0525 or DorrN@Michigan.gov.

MONTHLY PAYMENT STATUS REPORTS

The web pages that allow viewing of monthly State Aid Status Reports & Non-Resident Reports have been redesigned with accessibility improvements, and the links have changed. We recommend that you access these pages from the links available in the "What's New" section of the [State Aid Office Home Page](#).

SIGMA VENDOR SELF-SERVICE (Replacement for Contract Payment & Express)

This is an important follow-up to the information provided in the June State Aid update. The State of Michigan is upgrading its financial and business systems to a new system, SIGMA. Contract & Payment Express (C&PE) will transition to [SIGMA Vendor Self Service](#) (VSS) for maintaining vendor information.

Vendors currently registered and active in Contract & Payment Express (C&PE) on June 30, 2017, will be converted to SIGMA VSS. All of your active address, banking, and information will be securely transferred to SIGMA VSS. It is important for you to claim your account and set up user roles in [SIGMA VSS](#).

A Vendor Support Call Center is available to assist by calling 888-734-9749 or emailing SIGMA-Vendor@Michigan.gov.

AUGUST PAYMENT INFORMATION

The August state school aid payment is the 11th and final payment of the year and reflects a cumulative 100% of the year's allocations for Sections 22a, 51c, and 22b as well as for the categorical funding.

Updated Categoricals - The following categorical were updated in the August payment although the updates may not have affected the allocation amounts for all districts. If the allocation amount for your district has changed and you have questions concerning that change, contact the consultants identified below:

- Adult Education – Section 107 (Sandy Thelen, Workforce Development Agency, Adult Education, 517-373-3395, ThelenS@Michigan.gov)
- Renaissance Zones – Section 26a (Howard Heideman, Treasury, Revenue and Tax Analysis, 517-373-9002, HeidemanH@Michigan.gov)
- Great Start Readiness – Section 32d (Pat Sargent, Early Childhood Education, 517-241-4741, SargentP@Michigan.gov)

FINANCIAL INFORMATION DATABASE (FID) REMINDER

All public schools that received state school aid during FY 2017 are required to electronically submit financial data to the Financial Information Database (FID) by November 1, 2017. Failure to submit the FID data by that date is cause for the withholding of the November and subsequent state school aid payments (MCL 388.1618(10)). This Section also requires financial data submitted be consistent with audited financial statements. Questions related to the financial

data required in this submission may be directed to Christopher May at 517-335-1263, or MayC@Michigan.gov. **The FID application will open for district submissions on September 5, 2017.** At least one staff member must be designated by each district and public school academy to submit data via the FID application. To become authorized, this individual must download and complete a security agreement. To locate the agreement, go to the [CEPI Home Page](#) and click on "CEPI Applications" from the left-side navigation bar, and then on "Financial Information Database," and then on "FID Security Form." Questions related to accessing the system or submission of data to the FID may be directed to the CEPI Customer support by e-mail at CEPI@michigan.gov or telephone 517-335-0505.

FY 2017 STATE SCHOOL AID REVENUE RECOGNITION

State school aid revenue reported on the 2016-2017 financial data submission should be consistent with amounts shown on the district's August 2017 State Aid Financial Status Report. Minor differences may occur as the result of accounts payable and receivable issues. Care should be taken to record the revenues in the appropriate fund, major class codes, and suffix as indicated in the *Michigan Public School Accounting Manual*. Please use these [account numbers](#) for 2016-2017 state school aid revenue. This document has also been updated with accounting guidance for new sections of State Aid for FY 2018. Unearned Revenue – any restricted state grant funds (i.e., At-Risk, Adult Education, Math/Science) received and remaining unspent at year end should be recorded in the financial statements as unearned revenue (balance sheet major class code 471) rather than as a reserve of fund balance. This does not apply to funds that are awarded without restriction as to use. Questions related to revenue recognition should be directed to Christopher May, Office of State Aid and School Finance at 517-335-1263, or MayC@Michigan.gov.

BUDGET TRANSPARENCY REMINDER

Budgets and subsequent amendments for 2017-18 must be posted to your Budget Transparency page within **15 days** of board approval. At this point, all districts should have their initial 2017-18 budget posted. Budgets and amendments must be detailed at the function level. They must also include **beginning and ending fund balances**. Updated budget transparency guidance for 2017-18 should be available by the end of August. Questions related to Budget Transparency may be directed to Chad Urchike at UrchikeC1@Michigan.gov or 517-335-1261.

SECTION 23A MEMBERSHIP AND SECTION 25G CATEGORICAL ADJUSTMENTS

Pursuant to language in Section 6(4)(dd) of the State School Aid Act, pupils in Section 23a Dropout Recovery programs can generate more than a 1.0 FTE in certain instances. That portion of the FTE above 1.0 is to be paid out of categorical funding in Section 25g. The August status report reflects the Section 25g funding on a line labeled "25g Pupil Exceeding 1.0 FTE" in the Current Year Allowance section. Districts will see the Section 23a FTE at the top of the status report adjusted accordingly. Questions related to this adjustment should be directed to Brian Ciloski, Office of State Aid and School Finance, at 517-373-3352 or by e-mail at CiloskiB@Michigan.gov.

PRELIMINARY HEADCOUNT REPORT

Districts in their first or second year of operation, or districts that have added a grade for the first time, are required to report their headcounts for a day during the week of September 11-15, for use during the October state aid payment. Please use this [form](#) to submit head counts. Headcount data must be submitted by September 22, 2017.

ONLINE TRAVEL WAIVER FORM

The Department has updated the form used for requesting a travel waiver for the 2017-18 school year. The [new form](#) must be used to ensure that your request is received and can be considered for approval. Paper copies will no longer be accepted. Questions related to this form should be directed to Jessica Beagle, Office of State Aid and School Finance, at 517-241-6435 or by e-mail at BeagleJ1@Michigan.gov.

DUAL ENROLLMENT CALCULATION WORKSHEET/2017-18 WEIGHTED AVERAGE FOUNDATION

The “postsecondary dual enrollment weighted average foundation” to be used in FY 2018 is \$7,694. The Postsecondary Enrollment Options Act (MCL 388.514) was amended in 2012 to require districts to pay a prorated share of the state weighted average foundation for pupils enrolled in a postsecondary institution. The per pupil foundation grants used to calculate the postsecondary dual enrollment weighted average foundation are capped at the basic foundation (\$8,169 for FY 2016). The [Dual Enrollment Calculation Worksheet](#) has been updated to reflect this amount. Questions related to the dual enrollment calculation may be directed to Christopher May, Office of State Aid and School Finance, at 517-335 1263, or MayC@Michigan.gov.

DEFICIT DISTRICT INFORMATION

Districts with a negative general fund balance as of June 30, 2017 or districts adopting a deficit budget for 2017-18 were required to submit a Deficit Elimination Plan (DEP) to the Department no later than August 14, 2017. The DEP template is available on our [website](#). Questions may be directed to Chad Urchike at 517-335-1261 or UrchikeC1@Michigan.gov.

IMPORTANT DATES TO REMEMBER

- **October 24, 2017** is the date of the annual **MDE/MSBO Fall Workshop**. This year’s conference will be at the Kellogg Center in East Lansing, Michigan.
- Pursuant to Section 380.1284b of the Revised School Code, **school is not to be in session prior to Labor Day** (September 4, 2017).
- **Wednesday, October 4, 2017** is the **pupil membership count day** for 2017-2018 and the second adult education participant count day of the year. (Brian Ciloski, 517-373-3352, CiloskiB@Michigan.gov)
- The **SE-4096 Special Education Cost Report** for FY 2017 is due on **October 2, 2017**. (Dianne Easterling, 517-335-0459, EasterlingD@Michigan.gov)
- The **SE-4094 Special Education Transportation Expenditure Report** for FY 2017 is due on **October 9, 2017**. (Dianne Easterling, 517-335-0459, EasterlingD@Michigan.gov)
- The October 20, 2017 state school aid payment is the first payment of FY 2018. There is no September school aid payment.
- **November 1** is the deadline for local districts (including PSAs) to file their **2016-2017 financial audit report** with their ISD. Both the **financial and pupil accounting audit reports** are due electronically to the Department on **November 1**. Failure to file these reports will result in the withholding of state aid. (Naomi Casher, 517-335-6858, CasherN@Michigan.gov)
- The **FY 2017 FID – Annual Comprehensive Financial Report** is due from local and intermediate districts to CEPI by **November 1** (see related item above). Failure to file this report will result in the withholding of state aid. (Christopher May, 517-335-1263, MayC@Michigan.gov)
- The **DS-4168, Days and Clock Hours Report** for 2016-17 was due **August 1, 2017**.
- Section 23a claims for the months of July 2016 – June 2017 must be submitted by **September 1, 2017**.
- **Proration factors:** Section 31a – At Risk funding per pupil proration is \$184.183268282.
- Section 22d(4) Isolated District funds are being paid at a rate of \$44.7878545557 per pupil.
- Section 152a Headlee Obligation for Data Collection funds are being paid at a rate of \$25.2637908948 per pupil.

Do you have questions about the information appearing in this UPDATE? Call the consultants identified above or Phil Boone, Director, State Aid and School Finance, MDE, phone: 517-335-4059, fax: 517-241-0196, e-mail: BooneP2@Michigan.gov.
