

**Letter No. 14-95**  
**County Fiscal Year**

June 9, 1995

TO: County Board of Commissioners, County Administrators, Controllers, Managers; County Road Commissioners, County Clerks and County Treasurers

FROM: Richard L Baldermann, CPA  
Administrator  
Local Audit and Finance Division

RE: Optional Fiscal Years for Counties

Following is a copy of PA 347 of 1994. PA 347 authorizes the county board of commissioners to elect an optional fiscal year beginning October 1 and ending September 30.

The county commissioners may elect the optional fiscal year by motion or resolution recorded in the official meeting minutes of the board. Please send our office a certified copy of the motion or resolution when the optional fiscal year is adopted.

All county agencies and departments, including the county road commission, shall have the October 1/September 30 fiscal year when the county board of commissioners adopts the optional fiscal year. Please discuss the proposed change in the fiscal year with the road commission, transportation, health, mental health, probate child care, department of social services and other county departments and agencies prior to final adoption of the change in your fiscal year.

If your county is the host county for the public health, district mental health or other joint operations, please contact those agencies for their input prior to your final adoption of the October/September fiscal year. Those agencies fiscal year will automatically be changed to commence October 1 when the county adopts the option.

To remain in compliance with section 5 (MCL 133.5 (2) and (3) of the Municipal Finance Act, 1943 PA 202 and section 21 (MCL 141.921) of the State Revenue Sharing Act, 1971 PA 140, a county that adopts the October 1 fiscal year and all county departments will need to have an audit completed for a January 1--September 30, nine month fiscal year. Note that Act 347, subsections (2) and (3) refers to a five month period (before March 1 due date) for filing annual reports of accounting. This reference in Act 347 does not change the 120 day filing requirements of the Municipal Finance Act or the State Revenue Sharing Act with a 60 day filing extension when requested by an official of the county.

The annual local unit financial (form F-65) must be annualized to include a total of 12 months. In the first year of the change to the October/September fiscal year, the first F-65 report will include the prior 12 months from October 1 through September 30. In effect, the three months revenues and expenditures for October/December of the prior year will be reported twice, for the prior period ending December 31 and the current period ending September 30. The annualized F-65 report is due within 120 after the end (Sept. 30) of the fiscal year, or 30 days of the receipt of the form, whatever date is later. A filing extension may be granted when requested by an official of the county.

If we can be of any assistance, please call (517) 373-3227 or write our office at Michigan Department of Treasury, Local Audit and Finance Division, P.O. Box 30728, Lansing, Michigan 48909-8228.