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Bulletin 6
Public Act 34 of 2001, Revised Municipal Finance Act
Qualifying Statement Revisions; Changes to Filing Process

Issued By: Local Audit and Finance Division, Bureau of Local Government Services

Effective Date: May 1, 2013 (Revised June 1, 2015)

Section 303(2) of Public Act 34 of 2001, the Revised Municipal Finance Act, requires each municipality to file an annual Qualifying Statement with the Department of Treasury within six months of the end of its fiscal year, or as otherwise provided by law. The Department is required to determine, within 30 business days of receiving the Qualifying Statement, whether the municipality should be granted or denied qualifying status. If the Department grants qualified status, or fails to notify the municipality of its determination within 30 business days, the municipality then is authorized to issue municipal securities under the Act without further approval from the Department until 30 business days after the next Qualifying Statement is due, or until a new determination is made by the Department, whichever occurs first.

1. The purpose of this bulletin is twofold: 1) it introduces a revised Qualifying Statement, now Form 5047, and; 2) it addresses a new method to electronically file the Qualifying Statement and Reconsideration Request.
2. Qualifying Statement Form: The online Qualifying Statement form has undergone minor revisions in an effort to clarify certain questions, add some new questions to better mirror the statutory qualification criteria, and overall, become more user-friendly. Some of the specific changes include:
 - a. Added a question asking for the municipal code (municode) under which the audit is filed, i.e., an authority included in the primary unit's audit.
 - b. Eliminated the requirement to enter state equalized value (SEV) and population.
 - c. Separated compound questions.
 - d. Added a question that specifically asks about debt limitation compliance as authorized by Section 303(3)(f) of the Revised Municipal Finance Act.
 - e. Added a question that asks about security report and other post-issuance filing compliance stemming from the authorization granted in Section 303(3)(o).
 - f. Eliminated questions or statements in which the Department already has the answer such as the timely filing of an audit report and operating under a local government fiscal responsibility act.

3. **Electronic Filing:** Our goal is to provide a more secure environment for users and allow flexibility in maintaining a municipality's account. New features include the ability to request access, change passwords, and update contact information online. Stand-alone PDF forms and complex naming conventions will no longer be utilized.

The Qualifying Statement and the Reconsideration Request will now be completed and submitted online. We anticipate that this will reduce submission errors and place fewer burdens on the user. In addition, municipalities will now have an online record of all forms that have been filed, the date they were filed, and the ability to print that information.

How does the new login page work?

- a. Go to Michigan.gov/MunicipalFinance, then click on "Qualifying Statement" to access the new login page.
- b. For the first visit, users will be required to click on "Request Access New User." Note: For users of the old system, our apologies. For security reasons, we could not transfer usernames and passwords. You will need to create a new user profile.
- c. Complete all required fields. You will be asked to indicate what type of user you are from a selection on the drop-down list for User Type. If you are an Attorney, CPA, Financial Consultant or employee of any of these, filing on behalf of a local unit, select the type that pertains to you as the filer. If you are a county, city, township, village, authority, hospital finance or library employee or elected official, select Local Unit. If you are an employee of a school district, academy, intermediate school district or community college, select School. A "help" link is available as you complete the new user request should you need it.
- d. Once you've submitted the request for access, you will receive an email with a temporary password. Enter your UserID and temporary password into the login page. You will then be required to immediately change passwords from the temporary one to one you choose.
- e. If, in the future, you forget your password, click the "Forgot Password" link to receive a temporary password and follow the instructions on the page.
- f. If you have forgotten both your UserID and your Password, you must contact the Local Audit and Finance Division System Manager at 517-373-3227 to obtain them.
- g. A new temporary password will be emailed to you shortly.
- h. Once you login, you will be prompted to reset your password.

How do I file a Qualifying Statement or a Reconsideration Request?

- a. Once you have successfully logged in you will be taken to the Form Submission page. Select the county of the municipality for which you are filing and the municipality type from the drop-down lists provided. Then select the municipality.

Select the form and year you wish to complete. **Please Note:** You cannot save a form and return to complete it at a later time. For security reasons, the system will time out after a period of inactivity and all data not submitted will be cleared from the form.

Click on “Create Form.” This will generate the form you want to file. Once you have completed the form, click “Submit.”

- b. Once you have submitted a form, it will be available on the Form Submission page, where it can be viewed or printed.
 - c. As of June 1, 2015, we will no longer be accepting Qualifying Statements or Reconsideration Requests in PDF format.
4. This bulletin is issued pursuant to Section 201(b) of the Revised Municipal Finance Act which authorizes the Department to issue bulletins or adopt rules to carry out the purposes of the Act.

For questions, please contact the Local Audit and Finance Division at 517-373-3227.