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DEPARTMENT OF TREASURY  
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**September 2022**

**County Incentive Program  
Fiscal Year 2023  
Detailed Guidance**

**County Incentive Program (CIP)**

For fiscal year (FY) 2023, the Legislature continued the County Incentive Program (CIP). Each eligible county must meet all of the program requirements in order to receive the full CIP payments.

County payments are based on a county's Revenue Sharing Reserve Fund (RSRF) balance and the FY 2023 appropriation act. Eligible counties may receive a prorated share of the amount appropriated for distribution.

The Michigan Department of Treasury's (Treasury) website has templates available which counties may use to comply with the CIP program requirements. The templates are located under the "Forms and Templates" section at [https://www.michigan.gov/treasury/0,4679,7-121-1751\\_2197\\_58826---,00.html](https://www.michigan.gov/treasury/0,4679,7-121-1751_2197_58826---,00.html). Counties do not have to use these templates. The templates are available to assist counties if they so choose.

**Program Requirements**

- I. To qualify for CIP payments, a county must complete the following by the due date:
  1. Provide to Treasury the required documents (see below).
  2. Make required documents available for public viewing in the county clerk's office or post them on a publicly accessible Internet website.
- II. Required Documents
  1. City, Village, and Township Revenue Sharing and County Incentive Program Certification (form 4886)
  2. Citizen's Guide (minimum General Fund) (see III. Citizen's Guide Reporting Options below)
    - i. Most recent local finances
    - ii. Recognition of unfunded liabilities
  3. Performance Dashboard

4. Debt Service Report (all funds)

- i. Issuance date by debt instrument
- ii. Issuance amount by debt instrument
- iii. Type of debt instrument
- iv. A listing of all revenues pledged to finance debt service by debt instrument
- v. A listing of the **annual** debt service payment amounts **until maturity**

5. Projected Budget Report (minimum General Fund)

- i. The current fiscal year projected revenues and expenditures
- ii. The immediately following fiscal year projected revenues and expenditures
- iii. An explanation of the assumptions used for the projections

III. Citizen's Guide Reporting Options

Counties will have two options related to meeting the Citizen's Guide requirement:

1. A county can utilize the Citizen's Guide on Treasury's online system, if the county's F65 report has been filed timely. Counties may wish to verify that all the data reported on the F65 report is accurate, especially the general fund revenues, expenditures, and the unfunded pension liability.
  - i. The county will need to indicate on the City, Village, and Township Revenue Sharing and County Incentive Program Certification (form 4886) that they have elected the Treasury Citizen's Guide option and the county is not submitting a copy of a Citizen's Guide.
  - ii. The county will need to link to Treasury's Internet website for the Citizen's Guide or print a copy of Treasury's Citizen's Guide in order to make the document available for public viewing. The Treasury Citizen's Guide can be found at: <http://micommunityfinancials.michigan.gov/>

Note: The F65 information on Treasury's online system is refreshed monthly.

- OR -

2. A county can create the Citizen's Guide in another format that meets the CIP requirements.

IV. Due Date

1. **December 1, 2022** – to receive full CIP payments

- OR -

2. February 1, April 1, June 1, or August 1 – to receive reduced CIP payments

#### V. Payment Information

1. All eligible counties will receive 1/6 of the CIP payment on the last business day of October.
2. If the required documents are submitted on or before December 1, 2022;
  - i. The county qualifies to receive 1/6 of the CIP payment on the last business day of December, February, April, June, and August.
3. If the required documents are submitted after December 1, 2022, but by the first day of a payment month (February, April, June, and August);
  - i. December CIP payment is forfeited
  - ii. Remaining CIP payments will be forfeited unless the required documents are received by the first day of a payment month. If Treasury receives the documents by the first day of a payment month, 1/6 of the CIP payment will be received on the last business day of each payment month thereafter.

#### VI. Mailing Requirement

1. Counties must include in any mailing of general information to its citizens, the Internet website address or physical location where the required documents are available for public viewing.

#### VII. Use of Funds – **NEW REQUIREMENT**

1. A county that has a retirement pension benefit system in underfunded status (under Section 5 of 2017 Public Act 202) must allocate, to the county's pension unfunded liability, an amount equal to the sum of the county's FY 2023 eligible County Revenue Sharing (CRS) and CIP payment amounts less the sum of the county's FY 2020 eligible CRS and CIP payment amounts.
2. A county that has issued a municipal security under Section 518 of 2001 Public Act 34, is exempt from allocating FY 2023 CRS and CIP payment amounts to the county's pension unfunded liability.

#### **Additional Information**

Detailed information can be found on the Michigan Department of Treasury's CIP website [http://www.michigan.gov/treasury/0,4679,7-121-1751\\_2197\\_58826---,00.html](http://www.michigan.gov/treasury/0,4679,7-121-1751_2197_58826---,00.html).

Any county that falsifies certification documents shall forfeit any future CIP payments and shall repay the State all CIP payments it has received.

If you have any questions, please review the Frequently Asked Questions on Treasury's CIP website or feel free to contact the Revenue Sharing and Grants Division by phone at 517-335-7484 or by email at [TreasRevenueSharing@michigan.gov](mailto:TreasRevenueSharing@michigan.gov).