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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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**City, Village, and Township Revenue Sharing
Fiscal Year 2024
Detailed Guidance**

Definitions:

- ARPA – American Rescue Plan Act of 2021, Public Law 117-2
- CLFRF – Coronavirus Local Fiscal Recovery Fund
- CVTRS – City, Village, and Township Revenue Sharing
- PS – Public Safety
- Treasury – Michigan Department of Treasury

City, Village, and Township Revenue Sharing (CVTRS) Program

For fiscal year (FY) 2024, the Legislature continued the CVTRS program. Each eligible local unit must meet all of the program requirements to receive all CVTRS payments.

Each city, village, or township that received a FY 2023 CVTRS payment is eligible to receive:

- a CVTRS-Standard payment equal to 104% of the local unit's eligible FY 2023 ongoing CVTRS payment amount;
- a CVTRS-CLFRF payment equal to 1% of the local unit's eligible FY 2023 ongoing CVTRS payment amount;
- a CVTRS-PS payment equal to 2% of the local unit's eligible FY 2023 ongoing CVTRS payment amount

Program Requirements for CVTRS-Standard, CVTRS-CLFRF, and CVTRS-PS

- I. To qualify for CVTRS-Standard, CVTRS-CLFRF, and CVTRS-PS payments, a local unit must complete the following by the due date:
 1. Provide to Treasury the required documents (see Required Documents below)
 2. Make required documents available for public viewing in the city, village, or township clerk's office or post them on a publicly accessible Internet website
- II. Required Documents (Due Date: **December 7, 2023**)
 1. City, Village, and Township Revenue Sharing and County Incentive Program Certification (Form 4886)
 2. Debt Service Report (all funds)
 - i. Debt Service Report Requirements:
 1. Issuance date by debt instrument
 2. Issuance amount by debt instrument
 3. Type of debt instrument
 4. A listing of all revenues pledged to finance debt service by debt instrument
 5. A listing of the **annual** debt service payment amounts **until maturity**
 - ii. If the local unit has no debt, a Debt Service Report must be submitted with a note or comment indicating the local unit has no debt
 3. Projected Budget Report (minimum General Fund)
 - i. Projected Budget Report Requirements:
 1. The current fiscal year projected revenues and expenditures
 2. The immediately following fiscal year projected revenues and expenditures
 3. An explanation of the assumptions used for the projections
 4. Citizen's Guide and Performance Dashboard are **no longer required**

III. Document templates are available on the Treasury website

1. The templates may be used to comply with the program requirements
2. Cities, villages, or townships do not have to use the Treasury templates
3. The templates are located under the “Form and Templates” section at:
https://www.michigan.gov/treasury/0,4679,7-121-1751_2197_58826---,00.html

IV. Due Date – Required Documents (See Payment Information section)

1. **December 7, 2023 (NEW)** – to receive all CVTRS-Standard and CVTRS-PS payments
– OR –
2. February 1, April 1, June 1, or August 1 – to receive remaining CVTRS-Standard and CVTRS-PS payments

V. Mailing Requirement

1. Local units 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

Additional Program Requirements for CVTRS-CLFRF (1%) (NEW)

I. Eligible local units must certify to Treasury that:

1. The local unit has “Fully Obligated” or expended by December 31, 2023, or declined, the total amount of 2021 American Rescue Plan Act funds (Public Law 117-2) allocated to the local unit
 - i. “Fully Obligated” means an order placed for property or services; entering into contracts, subawards, and similar transactions that require payments; or appropriating the funds for specific purposes
 1. The above definition of “Fully Obligated” is ONLY for the CVTRS Program
 2. The U.S Treasury definition of “Fully Obligated” used for ARPA purposes is different
 3. Local units MUST use the U.S. Treasury definition when complying with ARPA requirements, reporting and deadlines
 - ii. State program requirements do not change or alter any U.S. Treasury requirements related to ARPA funding

II. CVTRS-CLFRF Certification Form

1. CVTRS and CRS – 1% CLFRF Certification (Form 6056)
2. Due Date: **March 30, 2024** – to receive the CVTRS-CLFRF payment
3. The form is located under the “Required Form” section at:
<https://www.michigan.gov/treasury/local/share/evip/cvtrs-1-percent-coronavirus-local-fiscal-recovery-fund>

Additional Program Requirements for CVTRS-PS (2%) (NEW)

- I. Local units must use the CVTRS-PS payments for local public safety initiatives only
- II. Local Public Safety Initiatives includes, but is not limited to:
 1. Recruitment
 2. Retention efforts
 3. Training programs
 4. New equipment purchases or equipment replacements
 5. Capital improvements to public safety buildings or structures

Payment Information

- I. All eligible local units will receive 1/6 of the CVTRS-Standard and CVTRS-PS payments on the last business day of October
 1. If the required documents are submitted on or before December 7, 2023
 - i. A local unit qualifies to receive 1/6 of the CVTRS-Standard and CVTRS-PS payments on the last business day of December, February, April, June, and August
 2. If the required documents are submitted after December 7, 2023, but by the first day of a payment month (February, April, June, or August)
 - i. December CVTRS-Standard and CVTRS-PS payments are forfeited
 - ii. Remaining CVTRS-Standard and CVTRS-PS payments will be forfeited unless the required documents are received by the first day of a payment month
 - iii. If Treasury receives the documents by the first day of a payment month, 1/6 of the CVTRS-Standard and CVTRS-PS payments will be received on the last business day of each payment month thereafter

II. All local units that meet **both** the *Program Requirements for CVTRS-Standard, CVTRS-CLFRF, and CVTRS-PS* and the *Additional Program Requirements for CVTRS-CLFRF (1%)*, will receive the CVTRS-CLFRF payment on the last business day of June 2024

III. Use of Funds

1. A city, village, or township that has a retirement pension benefit system in underfunded status (under Section 5 of 2017 Public Act 202, MCL 38.2805) must allocate, to the local unit's pension unfunded liability, an amount equal to the sum of the local unit's FY 2024 eligible CVTRS-Standard and CVTRS-CLFRF payment amounts less the sum of the local unit's FY 2023 eligible CVTRS payment amount
2. A city, village, or township that has issued a municipal security (under Section 518 of 2001 Public Act 34, MCL 141.2518) is exempt from allocating FY 2024 CVTRS payment amounts to the local unit's pension unfunded liability
3. A city, village, or township that receives a FY 2023 Local Unit Municipal Pension Principal Payment Grant (under 2022 Public Act 166) is exempt from allocating FY 2024 CVTRS payment amounts to the local unit's pension unfunded liability

Additional Information

- I. Detailed information can be found on Treasury's CVTRS website
https://www.michigan.gov/treasury/0,4679,7-121-1751_2197_58826---,00.html
- II. Any local unit that falsifies certification documents shall forfeit any future CVTRS payments and shall repay the State all CVTRS payments it has received

If you have any questions, please review the Frequently Asked Questions on Treasury's CVTRS 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.