

Monday Meeting Rose Township Board of Trustees
AGENDA
June 8, 2026, 10:30 am

Location: Township Office, 9080 Mason Street, Holly MI 48442

CALL TO ORDER

ROLL CALL – Stilwell, Miller, Jobes, Bourdeau, Maher

APPROVAL OF AGENDA

PRESENTATION - None

OLD BUSINESS

1. Participation and Reimbursement in West Nile Virus Fund Program, Proposed Resolution 2026-03
2. Consideration of Treasurer’s Proposed RACI Framework for Township Financial Operations and Internal Controls, Proposed Resolution 2026-XX

NEW BUSINESS

3. Amendment to the organization’s existing 401 (a) Plan, Proposed Resolution 2026-XX

REPORTS

PUBLIC COMMENTS - limit to 3 minutes

ADJOURNMENT

This notice is posted in compliance with PA267 of 1976 as amended (Open Meetings Act), MCLA 41.72a (2)(3), and the Americans with Disabilities Act. Individuals with disabilities requiring auxiliary aids or services should contact the Rose Township Board of Trustees by contacting the Rose township Clerk's office, 9080 Mason Street, Holly, MI 48442. Phone: 248-634-8701.
Email: clerk@rosetownship.com

ROSE TOWNSHIP RESOLUTION # 2026-03
WEST NILE VIRUS FUND PARTICIPATION AND REIMBURSEMENT AUTHORIZATION

WHEREAS upon the recommendation of the Oakland County Executive, the Oakland County Board of Commissioners has established a West Nile Virus Fund Program to assist Oakland County cities, villages and townships in addressing mosquito control activities; and

WHEREAS Oakland County's West Nile Virus Fund Program authorizes Oakland County cities, villages, and townships to apply for reimbursement of eligible expenses incurred in connection with personal mosquito protection measures/activity,

WHEREAS mosquito habitat eradication, mosquito larvicide or focused adult mosquito insecticide spraying in designated community green areas; and

WHEREAS Rose Township, Oakland County, Michigan, will incur expenses in connection with mosquito control activities believed to be eligible for reimbursement under Oakland county's West Nile Virus Fund program.

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NOW THEREFORE BE IT RESOLVED that the Rose Township Board of Trustees authorizes the Township Supervisor, as agent for the Township, in the manner and to the extent provided by the Oakland County Board of Commissioners, to confirm the township's participation in the West Nile Virus mosquito protection program and to request reimbursement of us to \$2,579.45 for mosquito control activity, specifically personal mosquito repellent products, under Oakland County's West Nile Virus Program.

BE IT FURTHER RESOLVED that in order to provide effective West Nile Virus protection, Rose Township will distribute the purchased mosquito repellent products to its residents from the township offices, the township parks and from any other location that may become available for distribution

Motion by:

Supported by:

Voting Yea:

Absent/Excused:

The Supervisor declares the Resolution adopted/denied.

I, Debbie Miller, the duly elected Clerk of Rose Township, Oakland County, Michigan do hereby certify that the above is a true copy of a resolution adopted by the Rose Township Board of Trustees at its regular meeting held on March 11, 2026 at which time a quorum was present.

Dated:

Debbie Miller, MMC, MiPMC III
Rose Township Clerk

TOWNSHIP OF ROSE

Office of the Treasurer

MEMORANDUM

TO: Rose Township Board of Trustees
FROM: William Jobes, Township Treasurer
DATE: April 21, 2026
RE: **Proposed RACI Framework for Township Financial Operations — Strengthening Internal Controls and Separation of Duties**

1. Purpose of This Memo

I am submitting this memorandum to formally propose the adoption of a Responsibility Assignment Matrix — commonly referred to as a RACI chart — governing how the Township executes its core financial functions.

The framework proposed here has two organizing premises, and both must be stated plainly at the outset:

- **The operational work of Township finance is performed at the accounting level.** Recording transactions, processing invoices, running payroll, producing the trial balance, and performing bank reconciliations are staff functions. They should be executed by trained accounting personnel on a daily basis, not by elected officials working around other duties.
- **The statutory duties of the elected Treasurer and Clerk cannot be delegated, modified, or reassigned by this Board or by any RACI framework.** Michigan law defines specific, non-waivable duties for both offices. Every assignment in this document has been written to preserve those duties intact. Where the law requires the Treasurer to take custody of money, the Treasurer takes custody. Where the law requires the Clerk to sign warrants or preserve accounts, the Clerk does so. No operational convenience overrides statute.

The purpose of the RACI is to document, in a single authoritative reference, how accounting staff execute the day-to-day work while the elected Treasurer and Clerk continue to discharge their statutory obligations. A written framework protects the Board, protects the public, and protects every staff member and elected official operating inside the financial workflow.

2. Why We Are Doing This

2.1 The current state

Rose Township's financial operations today rely heavily on informal understandings between the Treasurer's Office, the Clerk's Office, the Supervisor's Office, and any staff performing accounting functions. Where responsibility is understood but not documented, three specific risks grow over time:

- **Control gaps.** Tasks fall between offices because each party reasonably assumes the other owns them.
- **Control overlaps.** Multiple offices duplicate work, which wastes time and — more importantly — can mask errors because no single party is accountable.
- **Concentration of duties.** In the absence of a written framework, cash custody, recording, and reconciliation can drift into the same hands. This is the single most common internal-control weakness cited in municipal audit findings statewide.
- **Statutory drift.** Without a written framework, the Township risks having operational habits develop that subtly conflict with the Treasurer's and Clerk's statutory duties under MCL 41.69, 41.75, 41.76, and 41.77 — exposing the Township to audit findings and the Board to personal liability questions.

2.2 What a RACI framework accomplishes

- **Statutory compliance documented.** The framework shows, on a single page per function, exactly how the Township's workflow honors the statutory duties of the Treasurer (MCL 41.76, 41.77) and the Clerk (MCL 41.69, 41.75) — rather than leaving compliance to memory and goodwill.
- **Separation of duties.** The person who holds the cash cannot be the same person who records the transaction and reconciles the account. A RACI makes this architectural, not personal.
- **Operational work assigned to operational staff.** Elected officials retain custody, signing authority, and statutory oversight. Accounting staff perform the recording, processing, and reconciliation work the law does not require an elected official to do personally.
- **Shared oversight.** Both the Treasurer and the Clerk retain independent review roles over the general ledger and financial reporting. No single office controls the complete financial picture.
- **Board accountability preserved.** The Board remains Accountable under MCL 41.75 for approving claims and authorizing payment. Nothing in this framework shifts that fiduciary responsibility away from the elected body.
- **Audit readiness.** External auditors increasingly expect documented role definitions. A pre-existing RACI shortens fieldwork, reduces auditor questions, and demonstrates governance maturity.

2.3 The framing I am asking the Board to adopt

This is not about who controls what. This is about putting operational work where operational work belongs — with trained accounting staff — while preserving the statutory duties of the elected Treasurer and Clerk exactly as Michigan law requires them. The RACI is the document that proves, on inspection, that we are doing both.

3. Statutory Framework — What Michigan Law Requires

Every assignment in Section 6 below has been written to conform to the following statutory duties, which cannot be altered by Board action, by internal policy, or by this RACI. The RACI operates within these duties, never around them.

3.1 Treasurer — Statutory Duties

- **MCL 41.76 — Duties generally.** The Township Treasurer shall receive and take charge of money belonging to the township, or that is by law required to be paid into the township treasury, and shall pay over and account for the money according to the order of the township board. Custody of Township funds is a duty of the elected Treasurer personally, exercised through the Office of the Treasurer.
- **MCL 41.77 — Bond and deposits.** The Treasurer is bonded for the faithful discharge of duties and for accounting for all money coming into the Treasurer's hands. The Treasurer deposits Township funds in depositories designated by the Board. The Treasurer appoints a deputy who, in the Treasurer's absence, possesses the Treasurer's powers.
- **MCL 41.75 — Disbursement authority.** Authorized payments shall be paid by the Treasurer, on the order of the Township Board, on warrant signed by the Clerk. The Treasurer's signature on a check represents the Treasurer's own review of the payment's validity; the Treasurer retains discretion to request supporting documentation before signing, and this discretion is a statutory check-and-balance, not an optional courtesy.

3.2 Clerk — Statutory Duties

- **MCL 41.69 — Bond and records.** The Township Clerk is bonded for the faithful discharge of duties, which specifically includes the safekeeping of the records, books, and papers of the Township. The Clerk is the statutory custodian of Township records.
- **MCL 41.75 — Approved accounts and warrants.** Accounts approved by the Township Board shall be filed and preserved by the Clerk. Payments authorized by the Board are paid by the Treasurer on warrant signed by the Clerk. The Clerk's signature on the warrant is what authorizes the Treasurer to issue payment — this two-signature structure (Clerk warrants, Treasurer pays) is the foundational Michigan township internal control.

3.3 Board — Statutory Duties

- **MCL 41.75 — Approval of claims.** The Township Board shall approve claims against the township and authorize payment of allowed claims. This approval authority rests with the Board as a body and cannot be delegated to staff.

3.4 What this means for the RACI

The statutory structure creates a mandatory sequence that no workflow can re-route:

Board approves claim → Clerk signs warrant → Treasurer issues payment.

Accounting staff prepare the supporting documentation, process the invoice, produce the check, post the transaction to the ledger, and reconcile the account. Those are operational tasks and Accounting performs them. But the approval, the warrant, and the payment itself must flow through the Board, the Clerk, and the Treasurer respectively, because statute requires it. The RACI that follows reflects this sequence in every disbursement-related matrix.

4. RACI Legend

Throughout the matrices in Section 6, the following definitions apply:

- **R — Responsible.** Performs the actual work. There can be more than one R on a task.
- **A — Accountable.** Owns the outcome and is answerable for it. There is exactly one A per task. The A has final approval authority and bears fiduciary responsibility.
- **C — Consulted.** Provides input before the work is finalized. Two-way communication.
- **I — Informed.** Kept aware of the result after the fact. One-way communication.

A cell marked "R/A" indicates the same role both performs the work and owns the outcome — appropriate only where statute or sound control design specifically requires it (for example, the Treasurer's custody of public funds).

5. Governing Principles Embedded in the Workflow

Before presenting the matrices, five design principles should be stated explicitly so the Board understands the logic behind each assignment. Each principle operates within the statutory framework in Section 3 — these principles refine how the work is executed, not what the law requires.

Principle 1 — Custody, Recording, and Reconciliation are separated.

The Treasurer has custody of funds. Accounting records transactions into the general ledger and performs the reconciliation against bank statements. The Treasurer independently reviews and approves the reconciliation, cross-checking against custodial records. No single role holds the funds, records the entries, and reconciles the result — this is the most important control in the entire framework.

Principle 2 — Approval is separated from execution.

Invoices are approved by the Supervisor (with ultimate accountability to the Board). Payments are issued by the Treasurer. The approver cannot also be the disbursing officer.

Principle 3 — The Clerk remains the official keeper of records.

The Clerk's statutory role as custodian of Township records — including FOIA response authority — is preserved intact and is reflected in the matrices that follow.

Principle 4 — Incoming mail is a control point, not a clerical task.

Incoming mail is the Township's first contact with cash receipts, tax payments, vendor invoices, legal notices, and confidential correspondence. Opening mail in the presence of a second person and logging

receipts before they reach any single custodian is the foundational control that protects every workflow downstream of it.

The two-person rule requires that the two staff members come from different reporting lines — **Treasurer and Accounting, Treasurer and Clerk, or Clerk and Accounting**. Two people from the same office opening mail together does not satisfy the control, because it places receipt, logging, and downstream handling inside a single reporting chain without independent oversight. For this reason, mail processing is treated as its own documented function.

Principle 5 — The Treasurer and Clerk jointly sign off on all significant financial outputs.

This is the structural heart of the entire framework. While Accounting staff perform the operational work, every significant financial output of the Township receives an independent sign-off from both the elected Treasurer and the elected Clerk before it is considered final.

Specifically, both the Treasurer and the Clerk sign off on:

- Monthly bank reconciliations after Accounting has performed them;
- The monthly trial balance and general-ledger activity report;
- Financial statements and reports going to the Board;
- The annual draft budget before Board adoption;
- Records and schedules produced for the external auditor;
- Any extraordinary transaction, journal entry, or account adjustment outside ordinary recurring activity.

Routine, recurring transactions — individual check issuance, single invoice postings, standard payroll runs — do not require dual elected sign-off on each transaction, because those flow through the statutory MCL 41.75 sequence (Board approves, Clerk warrants, Treasurer pays) which already embeds dual review.

The practical effect: every aggregated financial output the Township produces — every reconciliation, every report, every budget, every audit package — carries two independent elected signatures before it is final. The Treasurer signs as the officer statutorily charged under MCL 41.76 with accounting for Township money. The Clerk signs as the officer statutorily charged under MCL 41.69 with safekeeping of Township records. Two elected officials, two independent reviews, two signatures — every time.

6. Financial Functions — RACI Matrices

Each matrix below covers one core financial process. The matrices are intended to be read together: most transactions will touch two or three of these workflows in sequence. Where a row reflects a statutory duty that cannot be delegated, the governing MCL citation is noted in the workflow description.

6.1 Incoming Mail Processing

Workflow: Incoming Township mail is received at a single intake point and opened in the presence of two authorized staff members drawn from different offices — any pairing of Treasurer, Clerk, and Accounting/Operations staff is acceptable, but the two people must never be from the same reporting line. A dated mail log records the sender, category (payment, invoice, legal notice, general correspondence, confidential), and — where applicable — check number and amount. Mail is then routed to the appropriate office: cash receipts to the Treasurer, invoices to Accounting, legal and records correspondence to the Clerk. No single person opens mail, logs mail, and takes custody of its contents alone.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Receive and open mail (two-person, cross-office)	R/A	R	R	I	I
Log receipts and contents	R/A	R	R	I	I
Route to correct office	R/A	R	R	I	I
Take custody of payments/checks	R/A	I	C	I	I
File legal/records correspondence	I	R/A	I	I	I
Route invoices to AP	I	C	R/A	I	I

6.2 Cash Receipts and Deposits

Workflow: Funds are received into the custody of the Treasurer's Office as required by MCL 41.76 (receive and take charge of township money) and deposited to Township depositories designated by the Board under MCL 41.77. Accounting staff perform the daily work of recording receipts in the general ledger and reconciling receipts against deposits, with independent Treasurer review against custodial records. Accounting does the operational work; the Treasurer's statutory custody remains intact.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Collect funds	R/A	I	C	I	I
Deposit funds	R/A	I	C	I	I
Record receipts in GL	C	I	R/A	I	I
Reconcile receipts	C	I	R/A	I	I

6.3 Disbursements and Accounts Payable

Workflow: This workflow is governed by MCL 41.75, which establishes a mandatory statutory sequence: the Board approves the claim, the Clerk signs the warrant authorizing payment, and the Treasurer issues the payment. Accounting staff prepare invoices for approval, produce checks for signature, and post the transaction to the general ledger. Accounting does the operational work; the approval/warrant/payment sequence flows through the Board, Clerk, and Treasurer exactly as statute requires.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Process invoices (AP)	I	I	R/A	C	I
Approve claims (MCL 41.75)	C	C	C	R	A
Sign warrant for payment (MCL 41.75)	C	R/A	C	I	I
Issue payment (MCL 41.76)	R/A	C	C	I	I
Record payments in GL	C	I	R/A	I	I

6.4 Payroll

Workflow: Payroll is a disbursement and therefore follows the same MCL 41.75 statutory sequence as accounts payable. Accounting staff process payroll from approved timesheets and produce the payroll register. The Board approves the payroll; the Clerk signs the warrant; the Treasurer disburses the funds. Accounting posts the transactions to the general ledger.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Process payroll	I	I	R/A	C	I
Approve payroll (MCL 41.75)	C	C	C	R	A
Sign warrant for payroll (MCL 41.75)	C	R/A	C	I	I
Disburse payroll funds (MCL 41.76)	R/A	C	C	I	I
Record payroll in GL	C	I	R/A	I	I

6.5 General Ledger

Workflow: Accounting staff maintain the general ledger and post all entries as part of normal operations. Per Principle 5, both the Treasurer and the Clerk independently review and sign off on the monthly trial balance and the financial reports produced from the ledger — the Treasurer under MCL 41.76 (accounting for Township money) and the Clerk under MCL 41.69 (safekeeping of records). Routine individual postings do not require elected sign-off; aggregated monthly outputs do.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Enter transactions	I	I	R/A	I	I
Maintain GL system	C	I	R/A	C	I
Review and sign off on trial balance — Treasurer	R/A	C	C	C	I
Review and sign off on trial balance — Clerk	C	R/A	C	C	I
Produce financial reports	C	C	R/A	C	I

6.6 Bank Reconciliations

Workflow: Reconciliations are performed by Accounting staff, comparing bank statements against the general ledger. Per Principle 5, both the Treasurer and the Clerk independently review and sign off on every completed reconciliation — the Treasurer cross-checking against custodial records required under MCL 41.76 and 41.77, and the Clerk exercising the independent records-oversight role under MCL 41.69. Accounting performs the work; two elected officials sign off on the result.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Perform reconciliation	C	C	R/A	I	I
Review and sign off (dual) — Treasurer	R/A	C	C	I	I
Review and sign off (dual) — Clerk	C	R/A	C	I	I
Resolve variances	C	C	R/A	I	I

6.7 Financial Reporting and Statements

Workflow: Financial statements are prepared by Accounting staff. Per Principle 5, both the Treasurer and the Clerk independently review and sign off before the reports are presented to the Board for formal approval. Board approval at the end of the chain preserves the Board's statutory oversight role.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Prepare reports	C	C	R/A	C	I
Review and sign off — Treasurer	R/A	C	C	C	I
Review and sign off — Clerk	C	R/A	C	C	I
Approve reports	I	I	I	C	A

6.8 Budgeting

Workflow: The draft budget is prepared by Accounting staff in coordination with the Supervisor (who, as presiding and executive officer, traditionally leads budget preparation). Per Principle 5, both the Treasurer and the Clerk independently review and sign off on the draft budget before it is submitted to the Board for formal adoption pursuant to the Uniform Budgeting and Accounting Act (PA 2 of 1968).

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Prepare draft budget	C	C	R	R/A	I
Review and sign off on draft — Treasurer	R/A	C	C	C	I
Review and sign off on draft — Clerk	C	R/A	C	C	I
Review budget (executive)	C	C	C	R/A	I

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Adopt budget	I	I	I	C	A

6.9 External Audit

Workflow: All three record-holding offices produce records — the Treasurer under MCL 41.76, the Clerk under MCL 41.69, and Accounting for operational records. Per Principle 5, both the Treasurer and the Clerk independently review and sign off on the complete audit package before it is provided to the auditor. The Treasurer coordinates auditor fieldwork as the Township's chief financial officer. The Treasurer leads the response to findings, with the Board ultimately accountable under its fiduciary oversight role.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Produce records (each office)	R/A	R	R	C	I
Review and sign off on audit package — Treasurer	R/A	C	C	C	I
Review and sign off on audit package — Clerk	C	R/A	C	C	I
Coordinate audit	R/A	C	R	C	I
Respond to findings	R	C	C	C	A

6.10 FOIA and Financial Records Requests

Workflow: The Clerk is the statutory custodian of Township records under MCL 41.69 and serves as the Township's FOIA coordinator. Accounting staff maintain the underlying financial records in the ordinary course of business and produce them on request; the Treasurer is consulted where custodial records under MCL 41.76 or 41.77 are implicated.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Maintain records	C	A	R	I	I
Provide records	C	R/A	C	I	I

6.11 Audit Preparation and Support

This section addresses the operational disciplines that surround the annual audit cycle and that, individually and collectively, determine whether the Township's audit will be smooth or painful. The matrices below reflect the published expectations of Michigan municipal audit firms regarding what auditors look for during planning, fieldwork, and reporting. Each sub-section identifies a recurring audit-preparation function that requires a documented owner.

6.11.1 Capital Asset Tracking and Roll-Forward

Workflow: Accounting staff maintain a complete capital asset listing — assets, additions, disposals, depreciation — by fund. The listing is updated as transactions occur and rolled forward annually for the auditor. Per Principle 5, both the Treasurer and the Clerk sign off on the annual roll-forward before audit fieldwork begins.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Maintain capital asset listing	C	C	R/A	I	I
Track additions and disposals by fund	C	C	R/A	C	I
Annual roll-forward and reconciliation	C	C	R/A	C	I
Sign off on annual listing — Treasurer	R/A	C	C	C	I
Sign off on annual listing — Clerk	C	R/A	C	C	I

6.11.2 Grant Management and SEFA Preparation

Workflow: Accounting staff maintain a central grant log capturing every federal, state, and pass-through award, with reporting deadlines, drawdown schedules, and audit-ready supporting files. Federal expenditures are tracked toward the Single Audit threshold (currently \$750,000 in federal expenditures triggers a Single Audit under 2 CFR 200). The Schedule of Expenditures of Federal Awards (SEFA) is produced annually for the auditor. Per Principle 5, both the Treasurer and the Clerk sign off on the SEFA before submission.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Maintain central grant log	C	C	R/A	C	I
Track federal expenditures vs. threshold	C	I	R/A	C	I
File grant reports by deadline	I	I	R/A	C	I
Maintain audit-ready grant files	C	C	R/A	I	I
Prepare SEFA and related notes	C	C	R/A	C	I
Sign off on SEFA — Treasurer	R/A	C	C	C	I
Sign off on SEFA — Clerk	C	R/A	C	C	I

6.11.3 Mid-Year Budget Amendments

Workflow: The Uniform Budgeting and Accounting Act (PA 2 of 1968) prohibits expenditures in excess of appropriations. Accounting staff perform monthly budget-to-actual monitoring and flag any line item or fund approaching its appropriation limit. The Supervisor proposes amendments; the Board adopts them by formal action before the overage occurs. The Clerk records the amendment in the meeting minutes and updates the official budget document. Overspending without a Board-adopted amendment is a statutory violation and will result in an audit finding.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Monthly budget-to-actual monitoring	C	C	R/A	C	I
Flag lines approaching appropriation limit	C	C	R/A	C	I
Propose amendment	C	C	C	R/A	I
Adopt amendment (PA 2 of 1968)	I	I	I	C	A
Record amendment in minutes & official budget	I	R/A	C	I	I

6.11.4 Subsequent Event Monitoring

Workflow: Subsequent events are transactions occurring after fiscal year-end but before the audit report is issued that may affect the financial statements — examples include sale of property, bond issuance, settlement of litigation, or significant new contracts. The Treasurer maintains a running log of such events between year-end and report issuance and provides it to the auditor at the appropriate point in the audit cycle.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Maintain subsequent event log	R/A	C	C	C	I
Identify reportable events	R/A	R	C	R	I
Provide log to auditor	R/A	C	C	I	I

Note: All elected officials and the Supervisor share Responsibility for identifying reportable events as they occur, because they have direct knowledge of transactions in their respective domains. The Treasurer maintains the consolidated log.

6.11.5 Management Representation Letter

Workflow: The auditor will require a signed Management Representation Letter before releasing the financial statements. The letter affirms that management has provided all records, that financial statements are free from material misstatement, and — critically for non-attest services — that management has designated an individual with suitable skills, knowledge, and experience to oversee any non-attest work the auditor performed (such as drafting the financial statements). For Rose Township, the Supervisor is the designated management representative, with Treasurer and Clerk co-signing as the elected financial officers. The Board is informed because management representation is asserted on its behalf.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Review draft representation letter	R	R	C	R/A	I

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Designate individual for non-attest oversight	C	C	I	R/A	C
Sign representation letter — Supervisor	C	C	I	R/A	I
Co-sign representation letter — Treasurer	R/A	C	I	C	I
Co-sign representation letter — Clerk	C	R/A	I	C	I

6.11.6 State Filings and Submissions

Workflow: Michigan townships are required to submit several reports annually to the State Treasurer, including the Annual Public Report (APR), Form F-65 (Local Unit Financial Report), the Qualifying Statement (where applicable), and the audit report itself. Single-audit filings additionally require submission of the Federal Audit Clearinghouse Data Collection Form. Accounting prepares the filings; the Treasurer reviews and submits, with Clerk co-sign-off on the audit report submission per Principle 5. Missed deadlines result in revenue-sharing impact and Treasury notice.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Prepare APR	C	C	R/A	I	I
Prepare Form F-65	C	C	R/A	I	I
Prepare Qualifying Statement	C	C	R/A	I	I
Submit audit report to Treasury	R/A	C	R	I	I
Submit Federal Data Collection Form	R/A	C	R	I	I
Track submission deadlines	C	C	R/A	I	I

6.11.7 GASB 103 Readiness — MD&A and Budgetary Analysis

Workflow: GASB Statement 103 (Financial Reporting Model Improvements), effective for fiscal years beginning on or after June 15, 2025, materially changes the Management's Discussion and Analysis (MD&A) and Budgetary Highlights sections of the audited financial statements. The MD&A must shift from descriptive ("what changed") to analytical ("why it changed, what drove it, what trends and risks are visible"), and the Budgetary Highlights must explain why the final budget differs from the original budget and why actual results differ from final budget. The practical implication: variance reasons must be documented throughout the year, not reconstructed at year-end. Accounting staff maintain a running analytical log; the Treasurer coordinates with the Supervisor and department heads for operational context.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Maintain running variance/analytical log	C	C	R/A	C	I
Coordinate operational context	R/A	C	C	R	I
Document budget amendment rationales	C	C	R/A	C	I
Draft MD&A (Prepared by Client)	R	C	R/A	C	I
Sign off on MD&A — Treasurer	R/A	C	C	C	I
Sign off on MD&A — Clerk	C	R/A	C	C	I

6.12 Audit Responsibility and Year-Round Ownership

Sections 6.9 and 6.11 cover the audit event itself and the operational disciplines that prepare the Township for it. This section addresses a separate question: who owns the audit as a function, year-round? The answer matters because the audit is not a one-week event in the spring — it is a continuous responsibility that touches engagement-letter review, auditor communication, fieldwork scheduling, preparation oversight, findings response, and reporting back to the Board.

The Treasurer is the Township's designated audit lead. This designation is consistent with published guidance from Michigan municipal audit firms — for example, Yeo & Yeo's April 2026 guidance to municipal treasurers explicitly identifies the Treasurer's role as central to the audit process — and with the Treasurer's statutory duty under MCL 41.76 to account for all Township money. The Treasurer's audit lead designation does not displace the Clerk's records-custody role under MCL 41.69, the accounting team's operational responsibility for preparation work, or the Board's ultimate accountability under MCL 41.75 for audit-finding response. It names a single point of accountability for the audit as a function, so that no element of the audit cycle falls between offices.

6.12.1 What audit lead means in practice

The Treasurer as audit lead is responsible for the audit relationship and process; the accounting team performs the underlying preparation and supporting work; the Clerk co-signs on the audit package and findings response per Principle 5; and the Board retains accountability for adopting the corrective action plan when findings occur.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Own the auditor relationship year-round	R/A	C	R	C	I
Review and accept engagement letter	R/A	C	C	C	C
Schedule fieldwork and confirm timing	R/A	C	R	I	I

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Oversee Prepared-By-Client (PBC) list completion	R/A	C	R	I	I
Communicate with auditor during fieldwork	R/A	C	R	I	I
Draft corrective action plan for findings	R/A	C	R	C	C
Co-sign corrective action plan — Clerk	C	R/A	C	C	C
Adopt corrective action plan	I	I	I	C	A
Report audit results to the Board	R/A	C	C	C	I

6.12.2 Why a single audit lead matters

Without a designated audit lead, four common failure modes appear:

- **Engagement letters go unread.** The contract between the Township and the auditor sets fee expectations, scope, and non-attest service designations. If no one owns reviewing it, surprises follow.
- **Auditor questions sit unanswered.** Audit firms publish that responsiveness during fieldwork is one of the strongest predictors of audit outcome. A single owner closes the loop.
- **Findings repeat year over year.** A repeat finding is the single most damaging audit outcome. Without a named owner of the corrective action plan, prior-year findings tend to resurface.
- **The Board hears about audit results late, or in pieces.** The audit is the Board's primary annual oversight tool. A single audit lead presenting results to the Board ensures the Board hears one coherent picture.

6.13 Banking, Vendor, and System Controls

Sections 6.1 through 6.12 address the financial functions and oversight architecture of the Township. This section addresses the operational controls that protect the Township from the specific failure modes that audit firms — including Plante Moran in their April 2026 guidance to Michigan local governments — identify as the highest-risk areas in modern municipal finance: online banking compromise, vendor banking-redirect fraud, unauthorized journal entries, payroll manipulation, and weak IT general controls.

These controls are operational rather than statutory — they are not required by MCL 41.75, 41.76, or 41.69 — but they are required by sound internal-control practice. As Plante Moran's guidance frames it: "Trust is not an internal control." Each sub-section below identifies specific preventative and detective controls the Township maintains, with documented ownership.

6.13.1 Online Banking Controls

Workflow: Online banking is where the highest-velocity financial fraud occurs in modern municipal finance — wire redirection, ACH compromise, and account takeover. Controls here are layered: access controls (who can log in and what they can do), authorization controls (who can move money, with dollar thresholds and dual approval), and monitoring controls (notifications, activity logs, and reconciliation). Multi-factor authentication is mandatory on all banking access. ACH and wire transfers require dual approval before funds move. Notifications above defined dollar thresholds are routed to a second person automatically.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Maintain online banking access list	R/A	C	R	C	I
Enforce multi-factor authentication (MFA)	R/A	C	R	C	I
Initiate ACH/wire transfers	C	C	R/A	I	I
Approve ACH/wire transfers (dual approval)	R/A	R	C	I	I
Configure transaction notifications	R/A	C	R	I	I
Review online banking activity log monthly	R/A	R	C	I	I
Periodic access/permissions review (quarterly)	R/A	C	R	C	I

6.13.2 Vendor Management

Workflow: Vendor banking-redirect fraud — where an attacker impersonates a legitimate vendor and requests payments be sent to a new bank account — is one of the most common and costly municipal fraud vectors. The control is straightforward: any new vendor and any change to existing vendor banking information requires independent secondary approval, with verification through a known, trusted contact channel (not the email address the change request came from). Accounting maintains the vendor master file; the Treasurer approves additions and banking changes.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Maintain vendor master file	C	C	R/A	I	I
Add new vendor (secondary approval required)	R/A	C	R	I	I
Change vendor banking info (verify by phone)	R/A	C	R	I	I
Periodic vendor list review	R/A	C	R	I	I

6.13.3 Journal Entry Controls

Workflow: Journal entries — particularly manual entries outside the routine recording cycle — are a recognized vehicle for both error and fraud. Every journal entry requires (1) sufficient supporting documentation, (2) a documented purpose explaining why the entry is being made, and (3) independent review before or after posting. Where the accounting system permits, the ability to post journal entries is separated from administrative/system access. Independent review of all manual journal entries is performed monthly by the Treasurer, with Clerk co-review per Principle 5 on any extraordinary entries.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Prepare journal entry with documented purpose	C	C	R/A	I	I
Maintain supporting documentation	C	C	R/A	I	I
Separate posting access from admin access	R/A	C	R	I	I
Independent review of manual entries (monthly)	R/A	R	C	I	I
Dual sign-off on extraordinary entries	R/A	R	C	I	I

6.13.4 Payroll Detail Controls

Workflow: Section 6.4 covers the statutory MCL 41.75 sequence for payroll disbursement. This section addresses the operational controls that protect against payroll error and manipulation: timecards approved by someone with direct knowledge of the employee's actual activity (not by the employee themselves), payroll registers and exception reports reviewed before processing, and the ability to change pay rates or add/remove employees restricted to authorized roles with secondary approval.

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Approve timecards (knowledgeable supervisor)	I	I	R	R/A	I
Review payroll register before processing	R/A	C	R	C	I
Review exception reports	R/A	C	R	C	I
Restrict pay rate / employee setup access	R/A	C	R	C	I
Secondary approval for pay rate changes	R/A	C	R	R	I

6.13.5 IT General Controls

Workflow: Financial systems run on IT infrastructure, and weaknesses there compromise everything downstream. Five foundational IT controls apply to the Township's financial systems: (1) administrative access is separated from financial-posting access, (2) every user has unique credentials with strong

passwords and limited failed-login lockout, (3) backups are performed and tested for restoration, (4) user access is reviewed periodically, and (5) network and system activity logs are reviewed by IT periodically. The Treasurer owns these controls operationally, with Accounting executing them in coordination with whatever IT support the Township uses (in-house or contracted).

Function	Treasurer	Clerk	Accounting	Supervisor	Board
Separate admin access from posting access	R/A	C	R	C	I
Enforce unique users / strong passwords / MFA	R/A	C	R	C	I
Maintain backups with restore capability	R/A	C	R	C	I
Periodic user access review (quarterly)	R/A	C	R	C	I
Review system activity logs	R/A	C	R	C	I

7. What the Board Should Watch For

If any future proposal — whether from an outside consultant, a staff reorganization, or a software vendor — attempts to modify this framework, I would ask the Board to evaluate the change against the following red flags:

- **Anything that conflicts with statute.** Any proposal that would have the Clerk stop signing warrants (MCL 41.75), the Treasurer stop taking custody of Township funds (MCL 41.76), or the Board stop approving claims (MCL 41.75) is not a process change — it is a statutory violation and must be rejected on those grounds alone.
- **Consolidation.** Any proposal that makes a single office Responsible and Accountable across custody, recording, and reconciliation should be rejected on internal-control grounds.
- **Removal of dual elected sign-off.** Any proposal that eliminates the requirement for both the Treasurer and the Clerk to independently sign off on reconciliations, the trial balance, financial reports, the draft budget, or the audit package should be rejected. Principle 5 is the structural check-and-balance that makes this framework sound; weakening it weakens everything downstream.
- **Erosion of audit-preparation discipline.** Any reduction in capital asset tracking, grant log maintenance, monthly budget monitoring, subsequent event tracking, or running variance documentation should be rejected. Each of these disciplines exists because Michigan municipal audit firms have specifically identified its absence as a leading cause of audit findings, restated financial statements, and material weaknesses. The cost of maintaining these disciplines is dramatically lower than the cost of remediating an audit finding.

- **Weakening of banking, vendor, or system controls.** Any proposal to remove multi-factor authentication, eliminate dual approval for ACH/wire transfers, skip secondary approval for new vendors or vendor banking changes, consolidate admin and posting access in the financial system, or reduce online-banking activity review should be rejected. These are the specific control failures that audit firms identify as the highest-velocity fraud vectors in modern municipal finance. The convenience saved by removing one of these controls is never worth the loss the Township is exposed to without it.
- **Board moved from Accountable to Informed.** The Board must remain Accountable for budget adoption, report approval, claim approval (MCL 41.75), and audit-finding response. These cannot be delegated downward.

8. Recommendation

I respectfully ask the Board to:

1. Formally adopt the RACI framework set forth in Section 6 as the Township's documented internal-control structure for financial operations, with the express acknowledgment that all assignments operate within the statutory duties described in Section 3;
2. Direct that this framework be attached to the Township's financial policies and referenced in the onboarding of new officials and staff;
3. Require that any proposed modification to these responsibilities be presented to the Board in writing, with specific identification of which control principle and which statutory duty the change affects; and
4. Furnish a copy of the adopted framework to the Township's external auditor at the next engagement kickoff.

I am available at the Board's convenience to walk through any of the matrices in Section 6, to respond to questions, or to refine any language the Board believes should be clarified before adoption.

Respectfully submitted,

William Jobes

Treasurer, Township of Rose

Resolution 2026-XX
Rose Township, Oakland County Michigan

MEETING OF THE BOARD OF TRUSTEES OF
ROSE TOWNSHIP GROUP PENSION PLAN

A meeting of the Board of Trustees of ROSE TOWNSHIP, organized and existing under and by virtue of the laws of the State of MICHIGAN was held on the .

Those present at the meeting were the following Trustees of the Organization:

_____.

The Chair announced that the first order of business was the consideration by the Board of an amendment to the organization's existing 401 (a) Plan. After an explanation of the terms of the proposed change, a motion was made, seconded and it was:

RESOLVED, the organization adopt the following amendment:
Change Class 2 to Include: Deputy Supervisor

FURTHER RESOLVED, that the amendment above be effective _____.

A motion was duly made, seconded and adopted.

Township Clerk and/or Plan Sponsor