

Quarterly & Year End Reconciliation & Processing

MSBO Annual Conference
April 23, 2026

Jolene Compton

Chief Financial Officer,
Michigan Alliance for Student
Opportunity



Jennifer Grigg

Director of
Human Resources
Bay-Arenac ISD



Jennifer Grigg, HRS, SHRM-CP



Experience:

- Bay-Arenac ISD (Day 4!) - Director of HR
- Saginaw ISD (2023-26) - Director of HR
- Warren Consolidated Schools (2021-23) - Chief HR Officer
- Bay City Public Schools (2016-21) - Director of HR & Employee Relations
- Mahar Tool Supply (2014-16) - HR & Marketing Manager
- City of Bay City (2008-14) - HR Generalist



Education:

- Case Western Reserve University School of Law (In Progress!)
- Master's Degree from Central Michigan University
 - Human Resources Administration
- Bachelor's Degree from Saginaw Valley State University
 - Major: Psychology



MSBO Activities:

- Leadership Institute, 2019
- HRS Certification, 2024
- Annual Conference Presenter
- Certification Courses Presenter
 - Collective Bargaining & Contracts
 - Use of Technology in HR



Jolene Compton, CPA, CFO



Experience:

- MASO/MISEC/Middle Cities Risk Management (since Feb 2026)
- Bay City Public Schools (2018 - Jan 2026) - Associate Supt, Finance & Grants
- Bay-Arenac ISD (2016-2018) - Director of Finance
- Clare-Gladwin RESD (2012-2016) - Director of Finance & Operations
- Weinlander-Fitzhugh (2000-2012) - Senior Accountant



Education:

- Masters of Accounting from University of Michigan
- Bachelor's General Studies from University of Michigan
- MASA Horizon's Institute - School Administrator Certificate with Central Office Endorsement



MSBO Activities:

- Leadership Institute, completed October 2021
- CFO Certification
- Annual Conference Presenter



Quick Show of Hands...

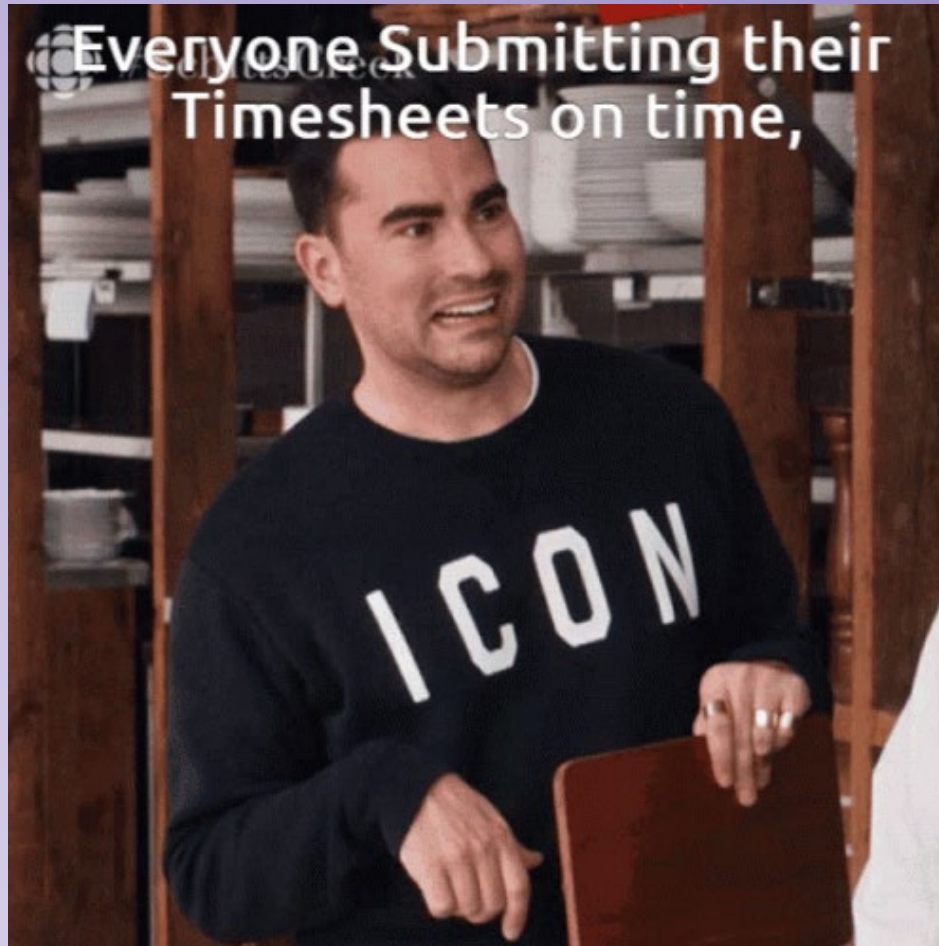


Objectives

- Payroll Rules...
- Deductions & Taxes
- Understanding Quarterly Filings
- W2 Tips and Best Practices



Payroll Rules...



Payroll Rules...

Michigan Wages & Fringe Benefits Act

- Employee's must be paid at least semi-monthly (2x per month)
- Must be provided statement outlining hours worked, wages, and deductions
- Upon Termination:
 - All earned wages must be paid by next regularly scheduled payroll
 - Accrued fringe benefits must be paid out (if outlined in a policy or agreement)
- Fringe benefits must be outlined in a policy, handbook, or collective bargaining agreement

Payroll Rules...

Michigan Wages & Fringe Benefits Act

- Deductions may not be taken unless:
 - Required by law (taxes, garnishments, etc.), OR
 - The employee has given written consent, OR
 - The deduction is for a legitimate benefit or expense that is agreed upon
- What do your handbooks & CBAs say?



Payroll Rules...

Michigan Wages & Fringe Benefits Act

- Overpayments...
 - Employers cannot unilaterally deduct from earned wages without written consent from the employee
- Unless...
 - Due to a mathematical or clerical error, AND
 - Deduction is taken within 6 months
- Overpayment recoupment cannot reduce pay to less than minimum wage
 - May need to be spread over multiple pays
- Pro Tip: Provide a breakdown and repayment options to the employee prior to adjusting wages

Payroll & Taxes

When you pay an employee



Payroll & Tax Deductions

Public School Employee compensation is subject to mandatory withholdings for:

- Federal income tax
- FICA
 - Social Security tax
 - Medicare tax
- State income tax
- Local income tax (possibly)
- MPSERS/ORS



Payroll Rules...

Additional Employee non-tax deductions are also required by law:

- Garnishment
- Child Support Order
- Spousal Support Order
- MPSERS contribution

“Optional” Deductions (require written authorization):

- Union Dues (MEA or another units)
- Non-Profit Campaigns (United Way, etc.)
- Additional Retirement Contributions
 - 457, 403(b), etc.

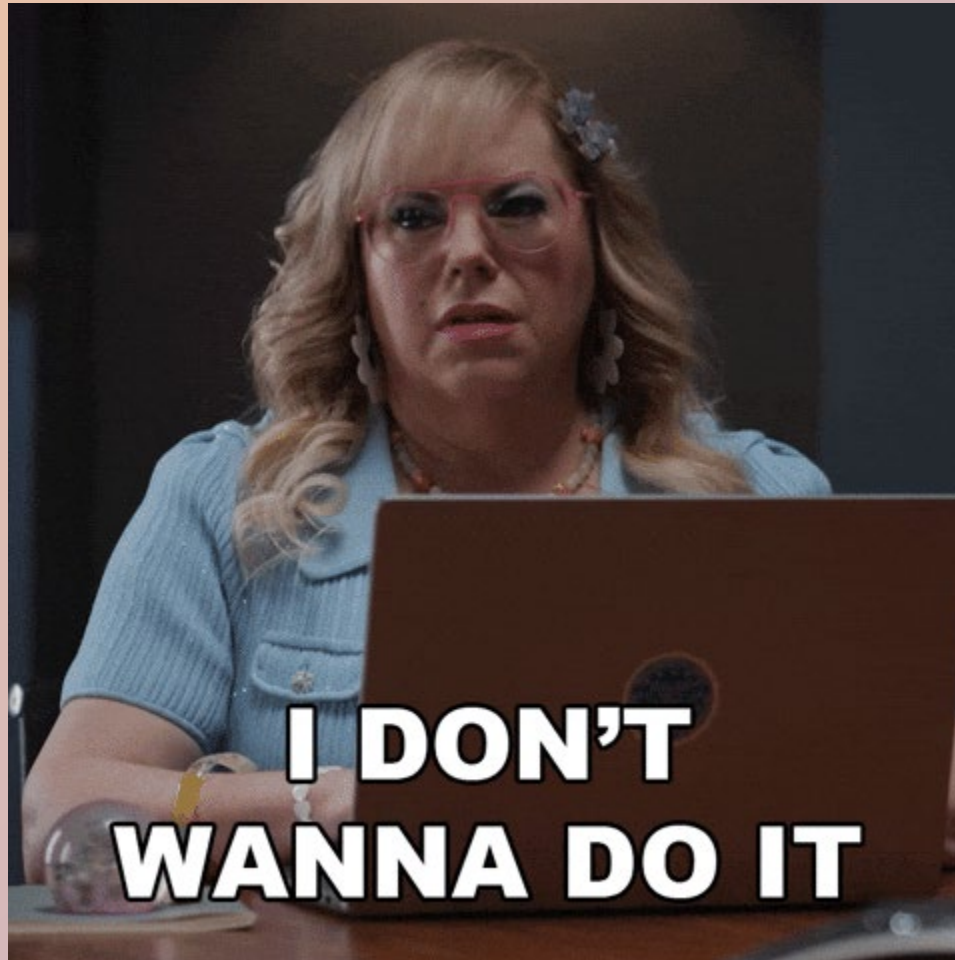
W-4s

Is a W4 Required?

- Should be requested after employment offer, but before starting work
 - Employee should complete and sign a federal and state W-4 (and local W-4, if applicable)
- No W-4?
 - Treat Employee as if single
 - Claiming no allowances
- New/Updated W-4 is applied prospectively
- W-4 will guide how much income tax Employer must withhold (federal and state; and local, if applicable)
- Generally, not required to file W-4, but maintain a copy



Understanding Quarterly Filings



Understanding Form 941, Tax Deposits, Quarterly Filings

- General rule: Employer must file IRS Form 941 quarterly (“Employer’s Quarterly Federal Tax Return”)
- Form 941 must be filed by the last day of the month *after* quarter ends
 - 1st quarter (Jan – Mar): Apr 30
 - 2nd quarter (Apr – June): July 31
 - 3rd quarter (July – Sept): Oct 31
 - 4th quarter (Oct – Dec): Jan 31
- Employer federal tax deposit schedule depends on data in previously filed Forms 941

Understanding Form 941, Tax Deposits, Quarterly Filings

- If aggregate total taxes listed on the above forms:
 - \geq \$50k: Monthly deposit
 - \$50-99k: Semi-weekly deposit
 - \$100k+: Next-day deposit
- Semi-weekly deposit schedule
 - If payday on Wed, Thurs, Fri:
 - deposit taxes by following Wed
 - If payday Sat, Sun, Mon, Tues:
 - deposit taxes by following Fri
- Monthly deposit schedule: deposit taxes by 15th day of following month



Understanding Form 941, Tax Deposits, Quarterly Filings

- Must deposit federal taxes electronically
 - EFTPS is a free service offered by U.S. Department of Treasury
- Penalties apply if Employer does not make timely deposits or makes deposits in incorrect amounts
 - 1-5 calendar days: 2% of unpaid deposit
 - 6-15 calendar days: 5% of unpaid deposit
 - >15 calendar days: 10% of unpaid deposit
 - After IRS notice: 15% of unpaid deposit



Common Errors in Relation to Form 941

File errors via the 941x Form

Common Errors include:

- Wage and Tax Discrepancies
- Void and Reissue timeliness
- Omitting adjustments for tips, taxable life, and third-party sick pay
 - Life insurance of policies greater than \$50,000
 - Third Party Sick Pay for employees on Disability
- Failing to reconcile Schedule B
- Math Errors



State Taxes

- Deposit frequency (monthly/ quarterly/annually) determined by Michigan Department of Treasury
 - Monthly: by 20th day of next month
 - Quarterly: by 20th day after quarter end
- Generally, must deposit State income taxes electronically (with Form 5080) using Michigan Treasury Online (MTO)
 - State penalty calculation is complex, refer to [website](#) for guidance
- Local taxes: check with local taxing authority (24 cities w/ local taxes)
- UIA - Unemployment Agency
 - File by 25th of the month after the end of Quarter (1/25, 4/25, 7/25, 1/25)

Year-End Filings



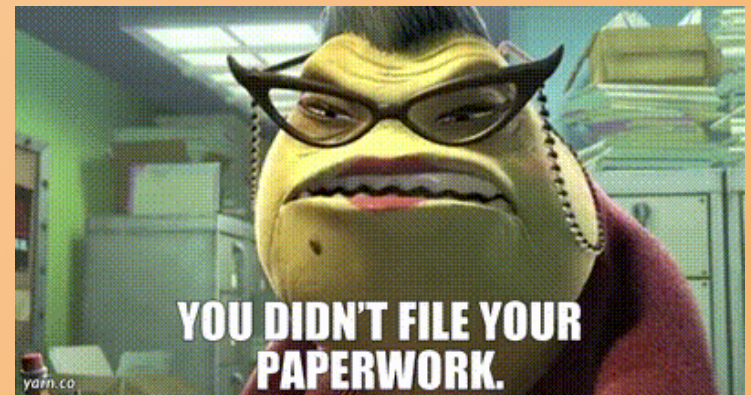
Year End Processing: Federal W-2s and Related Filings

- W-2 Forms reflects Employee's compensation earned and taxes withheld during prior year
- W-3 Form - summary form that reflects aggregate W-2 data
- Employer must generally file W-2s and W-3s with SSA by Jan 31 (E-file: SSA Business Services Online)
- Employer required to provide all employees with W-2 Forms by Jan 31
- Common Errors
 - Incorrect SSN
 - Box 12 issues
 - Third Party Sick Pay
 - Benefit Costs

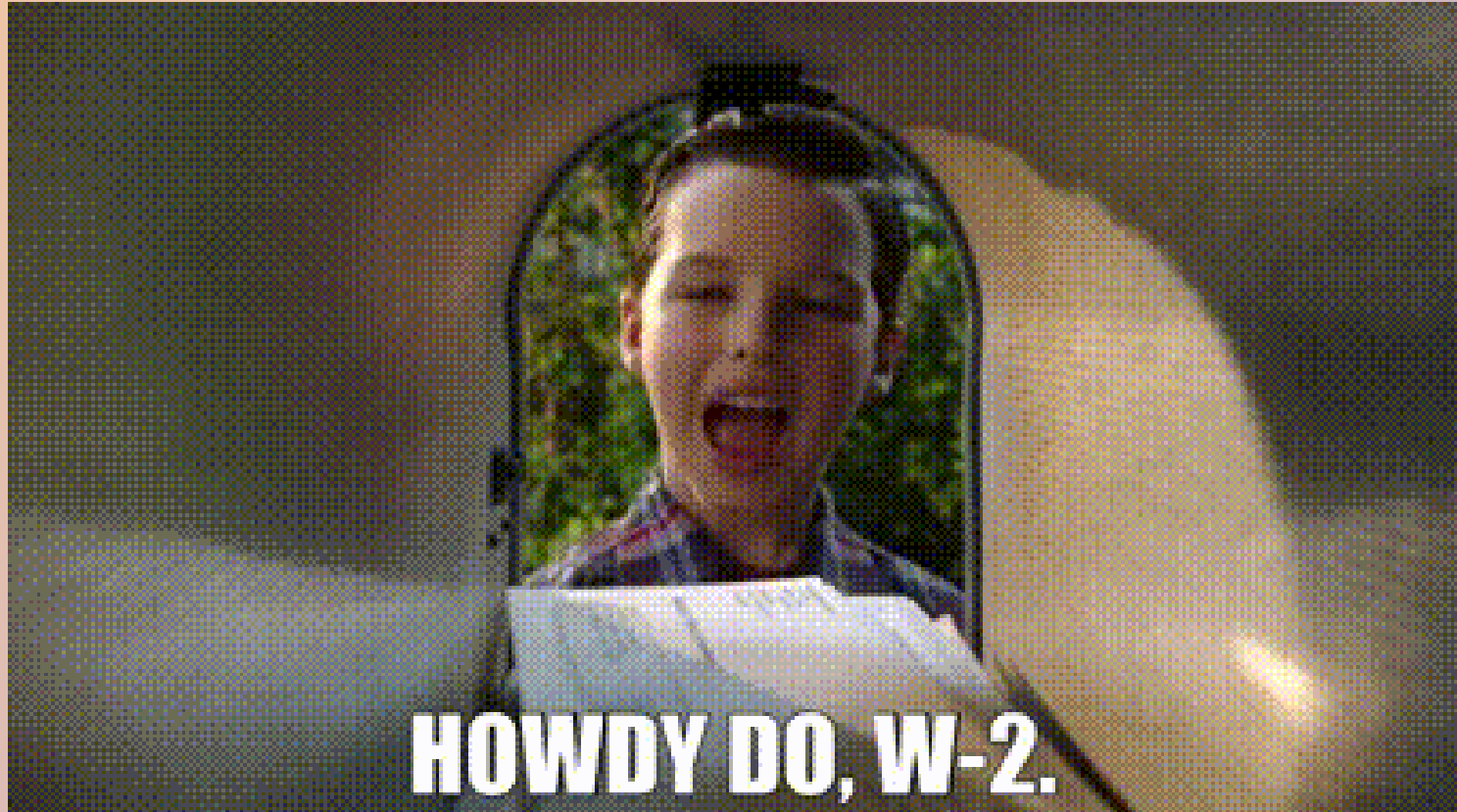


Year End Processing: Federal W-2s and Related Filings

- Employer generally must file Michigan W-2s with MI Department of Treasury by Jan 31 (MTO)
- ACA - Form 1095C
- Register in advance for filings with SSA, MTO
 - Research prior to year-end - at least 90 days before year-end
 - BSO - Social Security
 - MTO - Michigan
- Local Tax Authorities



W-2 Tips & Best Practices



W-2 Best Practices

- Keep a running total of each payroll so can match your W-2 final report
- Update Employee addresses throughout the year
- Communicate with Employees when the W-2 forms will be distributed through electronic or paper form
- Consider running W2 Audit monthly or quarterly
- Don't wait until year-end to find discrepancies
- Complete 941 reconciliation worksheets outside of your payroll system



W-2 Best Practices (cont.)

- Include Life over 50,000 before last pay in the year
 - Consider monthly or quarterly
- W2 box 12 should include total cost of health insurance coverage paid by both Employee and Employer; it is not taxable
- Add STD or LTD for Employees
- Download W-2 and reports
- Test file in Accuwage:
<http://www.ssa.gov/employer/accuwage>

Time for Questions!!

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