



OFFICE OF MAYOR ANDY SCHOR

124 W. Michigan Avenue – Ninth Floor
Lansing, MI 48933

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MEDIA CONTACT: Valerie Marchand
517-230-4904

Millions Returned to City of Lansing General Fund Balance

(LANSING) – Mayor Andy Schor today announced that the City of Lansing will restore \$2.5 million to its general fund balance after successfully completing and submitting Affordable Care Act (ACA) forms that had not been filed in previous years.

“As soon as my administration discovered the failure to file Affordable Care Act forms, we immediately got to work to fix the problem and get everything back in order. The City worked closely with the IRS to correct the issues discovered and have successfully had the fines waived, allowing the remaining balance of \$2.5 million in penalties to be restored to the City’s fund balance reserves.”

In 2019, a series of fines and penalties were discovered by the newly established Chief Strategy Officer for failure to submit 2016 ACA reporting and late W-2/1099 filing for 2017. Mayor Schor’s administration immediately ensured 2019 reporting and filings were completed on time and set to work correcting previous years.

The City accounted for the existing fines and penalties and estimated the potential fines for outstanding reports yet to be filed for a combined total of \$2.5 million. The City booked these fines as part of the 2019 audit and budget, thus reducing the City’s fund balance, and Mayor Schor committed to completing these required reports. The reports have been completed and submitted to the IRS, and the City of Lansing has successfully had all associated fines forgiven.

“The employees of the Human Resources and Finance Department did an outstanding job of safeguarding the City’s money by fixing the issue. Because of their efforts, more tax dollars can be spent serving the residents of Lansing and building back our budget reserves. We appreciate their hard work,” said Nicholas Tate, Deputy Mayor.

Lansing’s fund balance has been reduced due to a confluence of events including, failure to file ACA forms, budget reductions due to COVID-19 and other budgetary necessities.

The waiver of the federal ACA penalties is the first step to successfully restoring the City’s fund balance.

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