



# CHELSEA

## SCHOOL DISTRICT

### BUSINESS OFFICE

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**To:** Board of Education

**From:** Nicole Lechner

**Re:** January Board Report

**Date:** January 5, 2026

We are currently preparing the first budget amendment so it can be presented to the Board later this month. Amendments will be required for the General Fund, Special Revenue Funds, and Debt Funds. General Fund changes include updated pupil counts, revised state funding projections, staffing adjustments, and updated expense allocations. The Debt Funds amendment will reflect the necessary changes to close out older debt accounts. Community Education will also reflect staffing changes, along with grant funds carried forward from the 2024/25 school year. Additional detail will first be shared with the Finance Committee, followed by a full presentation to the Board on January 26, 2026.

In addition to budget preparation, the Business Office is focused on completing several critical reporting requirements this month. These include the submission of W-2 and 1099 tax forms, both of which are due by month-end. The Excess Cost Report is also due to the WISD so they can compile regional Special Education costs. Once all district data is received, the report is reviewed to ensure the region meets the required compliance thresholds.

Preparation for the first payroll of 2026 requires extensive coordination and system updates. The payroll software must be updated to reflect all insurance open enrollment changes, including revised medical plan rates, optional coverage elections, and health savings account deductions. Cash-in-lieu elections for eligible staff are also established, and updated federal tax tables must be manually entered prior to processing. A special thank you to Tim Jacobs for managing these updates efficiently within the short turnaround between the December 23 and January 8 payrolls.

Through accurate and timely reporting, we support transparency and accountability, reinforcing that we are *stronger together*.

Respectfully,

Nicole Lechner, Chief Financial Officer  
Chelsea School District