



## OFFICE OF THE STATE AUDITOR

# *E-Update*

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**State Auditor  
Rebecca Otto**

**May 9, 2008**

1. Pension Update: Working Group Defined Contribution Plan Sub-Group and Reporting Reminder
2. TIF Update: Newsletter Now Available
3. Audit Update: Filing Audits and Related Documents with the Office of the State Auditor
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### **1. Pension Update: Working Group Defined Contribution Plan Sub-Group**

The Office of the State Auditor's Volunteer Fire Relief Association Working Group will be forming a sub-group to address statutory issues that are specific to Defined Contribution Plans. If you are a member or trustee of a Defined Contribution Plan and would like to serve on the sub-group, please contact Rose Hennessy Allen at (651) 296-5985 or [Rose.Hennessy-Allen@state.mn.us](mailto:Rose.Hennessy-Allen@state.mn.us). It is anticipated that the sub-group will hold four, two-hour meetings during the summer. Meetings will be held during the day at our Saint Paul office.

#### **Pension Update: Reporting Reminder**

Notices were sent by mail and email last week to trustees of approximately 150 relief associations that have yet to submit their 2007 reporting year forms. The submissions were due by March 31 for relief associations with assets and liabilities of less than \$200,000. The reporting information may be provided using the online Excel forms that are available on the Office of the State Auditor's website at [www.auditor.state.mn.us](http://www.auditor.state.mn.us). Traditional paper forms are also available upon request. Please contact Gail Richie at (651) 282-6110 or [Gail.Richie@state.mn.us](mailto:Gail.Richie@state.mn.us) if you have questions regarding relief association reporting requirements. Reporting information is due by June 30 for relief associations with assets or liabilities of at least \$200,000.

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## **2. TIF Update: Newsletter Now Available**

The May TIF Newsletter is now available on our website at [http://www.auditor.state.mn.us/Other/tifDocs/tifNewsletter\\_0805.pdf](http://www.auditor.state.mn.us/Other/tifDocs/tifNewsletter_0805.pdf). The newsletter provides information regarding TIF Act amendments related to housing districts and housing district income requirements.

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## **3. Audit Update: Filing Audits and Related Documents with the Office of the State Auditor**

The Office of the State Auditor asks that cities, towns, schools, counties, and other local political subdivisions submitting audits to this Office submit the management letter, and the auditor's letter of findings and recommendations with the audited financial statements. This is especially important when these documents are under a separate cover. If an auditor submits the audited financial statements to the Office of the State Auditor on the entity's behalf, please remind the auditor that we need these additional documents. They are an important part of our review process.

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## **4. Avoiding Pitfalls: Petty Cash (Imprest) Funds – Part III**

The last two Avoiding Pitfalls discussed the establishment of petty cash (imprest) funds and methods for withdrawal of the funds. This week's Avoiding Pitfalls provides additional tips for managing petty cash funds.

The designated petty cash custodian is personally responsible for the cash entrusted to the fund. The petty cash custodian should properly secure petty cash funds in a metal lock box that is maintained in a locked desk, locked cabinet, or locked safe to which access is limited.

Reconciliations of the petty cash fund should be done by someone other than the person approving withdrawals from the fund. At any time, the amount of cash on hand plus the receipts (plus any outstanding advances if the advance method of withdrawal is used) should equal the amount of the approved petty cash fund. When replenishing petty cash funds, the total of the original receipts maintained by the custodian should match the amount of the replenishing check. The original receipts should be maintained and filed as supporting documentation.

The governing body should consider adopting a petty cash policy. The policy could describe when petty cash funds may be used, items that may not be

purchased with petty cash funds, proper petty cash documentation, and petty cash replenishing procedures.

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