



State Auditor
Rebecca Otto

OFFICE OF THE STATE AUDITOR

E-Update

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news publication of the
Office of the State Auditor*

1. Revised: Statements of Position (2)
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1. Revised: Statements of Position (2)

The Statement of Position on Legal Restrictions on Public Investing has been revised. The list of securities in which public entities may invest has been updated and information on how a public entity's investments can be held in safekeeping has been added. The revised Statement of Position can be found on our website at:

http://www.auditor.state.mn.us/other/Statements/publicinvesting_0707_statement.pdf.

In addition, resources and links in the Statement of Position titled Education Foundations have been updated. No substantive changes have been made. The revised Statement of Position can be found on our website at:

http://www.auditor.state.mn.us/other/statements/educationfoundations_0703_statement.pdf.

2. New: Pension Newsletter

The July 2008 Pension Division Newsletter was recently released. The newsletter provides information regarding authorized administrative expenses and supplemental benefits for volunteer fire relief associations. The newsletter also contains our first installment of "Investment Basics," an ongoing series that we hope will provide education to relief association trustees on investment related topics. It's available on our website at:

http://www.auditor.state.mn.us/other/PensionDocs/pensionNewsletter_0807.pdf.

3. Pension Update: Defined Contribution Plan Sub-Group

As you may recall, the Office of the State Auditor's Volunteer Fire Relief Association Working Group formed a sub-group consisting of defined contribution plan trustees. The purpose of the sub-group is to focus on issues unique to defined contribution plans. The sub-group will also work to draft legislation to reorganize Chapter 424A, the section of state law that pertains to volunteer firefighter pensions and benefits, into separate provisions for defined contribution and defined benefit plans.

The sub-group held its first meeting on July 29 and discussed the timing of forfeitures, rollovers for members not yet 50, municipal contributions for defined contribution plans and reporting form deadlines. The sub-group also began the task of reorganizing Chapter 424A. The next sub-group meeting will be Thursday, August 7, from 11:00 a.m. to 1:00 p.m. at our Saint Paul office. Meeting materials are available on our website at: <http://www.auditor.state.mn.us/default.aspx?page=reliefworkinggroup>.

4. Deadline: TIF Reporting Forms

Today, August 1, is the deadline for filing the 2007 TIF Reporting Forms. If you have any questions, or need assistance if you have not yet completed these forms, please contact Jenna Ofstie at (651) 296-7001 or Lisa McGuire at (651) 296-9255.

5. Avoiding Pitfalls: Direct Deposit of Payroll

Eliminating checks is a simple way to eliminate check fraud. Cities, counties, towns, school districts and other political subdivisions or agencies of local government may require employees to use direct deposit for payroll checks (see Minn. Stat. § 471.426.) Using direct deposit for payroll eliminates the possibility that payroll checks may be altered, lost or stolen.

Using direct deposit has several other advantages. It minimizes the entity's cost of distributing checks, replacing lost checks, and buying check stock. Surveys also show that employees value direct deposit. It saves the time and expense involved with cashing or depositing checks and provides employees immediate access to their funds.

If you are interested in signing up to receive an e-mail version of the E-Update regularly, [click here](#).

The Office of the State Auditor is located at 525 Park Street, Suite 500, Saint Paul, MN 55103. Phone: 651-296-2551 Fax: 651-296-4755 Web: www.auditor.state.mn.us