



State Auditor
Julie Blaha

OFFICE OF THE STATE AUDITOR

E-Update

June 26, 2020



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1. Message from Auditor Blaha

I am pleased to share that CARES Act funds have begun to be distributed to communities across Minnesota. I know many reading this update were directly involved in crafting the agreement on distribution and your efforts are appreciated. The OSA joined you in advocating for a timely release of funds. Here's my statement and the CARES Act recommendations we shared with the Governor: <https://www.auditor.state.mn.us/default.aspx?page=20200625PressRelease>.

This is a quick reminder that as we continue to navigate the COVID-19 pandemic, please be sure to document your time and expenses thoroughly. As a former math teacher, I would always tell my students: When in doubt, write it out. Do you have expenses accrued due to COVID-19? Be sure to document time and materials related to the pandemic. Documentation errors can lead to the state being penalized and the public losing trust in the use of those funds. Our Avoiding Pitfall from last week has more information:

<https://www.auditor.state.mn.us/default.aspx?page=20090724.001>.

Finally, as we gear up to celebrate the Fourth of July next week, please be sure to show your patriotism by continuing to social distance (6 feet or more apart) and wear your mask in public. Please also note that due to the holiday, the E-Update will not be published next week -- we look forward to connecting with you again on July 10th!

Happy Fourth of July to you and your loved ones! Stay safe.

2. Released: Pension Newsletter

The June Pension Newsletter has been released. The Newsletter provides information about holding board of trustees meetings during times of emergency. The Newsletter also provides information about calculating months of active service and records retention requirements. A link to the general records retention schedule for volunteer fire relief associations is included.

The complete Newsletter can be accessed at:

https://www.auditor.state.mn.us/other/PensionDocs/pensionNewsletter_2006.pdf.

3. Reminder: GAAP Reporting due June 30, 2020

The 2019 Annual Financial Reporting Form and Audited Financial Statements for City and Townships reporting on the GAAP basis are due **June 30, 2020**.

The Annual Financial Reporting Form (Reporting Form) can be downloaded from the State Auditor Form Entry System (SAFES) at: <https://www.auditor.state.mn.us/SAFES/Default/Login>. Detailed instructions for completing the Reporting Form can be found on our website at: <https://www.auditor.state.mn.us/default.aspx?page=20130724.004>.

The Reporting Form and Audited Financial Statements must be submitted through SAFES. The Audited Financial Statements need to be submitted as one single PDF document. All copies of management letters, Auditor's letters of findings and recommendations and component unit audits must be emailed, in a PDF format, to GID.OSA@osa.state.mn.us.

If you need access to SAFES, please send an email to SAFES@osa.state.mn.us.

If you have any reporting questions, please send an email to GID.OSA@osa.state.mn.us or call 651-297-3682.

4. TIF: "Excess TIF" Is Not Tax Increment

As TIF authorities work on completing TIF Annual Reporting Forms, form preparers should be aware that "excess TIF," or "excess taxes," which might appear on tax settlement reports, are not tax increment and should not be reported as such. In short, excess taxes are amounts generated in the course of tax increment computations when the current tax rate exceeds the original tax rate for a TIF district. To learn more, please visit:

<https://www.auditor.state.mn.us/default.aspx?page=ExsTIFNotTaxIncr>

5. Avoiding Pitfalls: Petty Cash (Imprest) Funds - Part I

Petty cash funds, referred to as "imprest funds" in Minnesota's statutes, are authorized for school districts, towns, counties, and cities. Due to the fact that these are cash funds (currency in the form of coins and bills), extra security precautions should be taken to safeguard these funds.

This Avoiding Pitfall is available on our website at:

<https://www.auditor.state.mn.us/default.aspx?page=20090724.034>

If you are interested in signing up to receive an e-mail version of the E-Update regularly, send an e-mail with your contact information to signup@osa.state.mn.us.

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