



OFFICE OF THE STATE AUDITOR

E-Update

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1. Revised Statement of Position

The Temporary Interfund Loans Statement of Position, # 2007-1009, has been revised and posted to the Office of the State Auditor's website at <http://www.auditor.state.mn.us/default.aspx?page=statements>.

2. Special Districts and Towns Reporting

Special Districts

2005 Special District Financial Reporting Forms. Special Districts that have not submitted their annual reporting forms should complete their reporting forms by April 20, 2007. The reporting form is available on the State Auditor's website at www.auditor.state.mn.us. Financial statements that have not been sent to the Office of the State Auditor should also be submitted by April 20, 2007. The reporting forms and financial statements, currently due, are for the fiscal year ending between July 1, 2005 and June 30, 2006.

Towns

Towns Reporting on a GAAP Basis. A letter with your username and password for accessing the reporting form was mailed this week. The

financial reporting form for towns reporting on a GAAP basis is due June 29, 2007. The required form can be found on the home page of the State Auditor website, www.auditor.state.mn.us, under Current Forms. The title is: State Auditor's Form Entry System (SAFES) - Online Forms for GID and Pension. Click on this link and then enter your username and password to access the spreadsheet. The spreadsheet is a Microsoft Excel spreadsheet. You will need to have Microsoft Excel installed on your computer to use the spreadsheet.

3. Two Common TIF Reporting Questions

When should TIF reporting forms first be filed?

A TIF authority is required to complete the annual TIF reporting forms in the year in which the district was certified. If the TIF Division is notified before April 1st, the TIF report for the new district will be available for downloading with the authority's other TIF reports. Otherwise, the TIF authority should notify the TIF Division to have the forms generated for reporting. This process takes up to 24 hours.

How long should TIF reporting forms continue to be filed?

A TIF authority must continue to complete the annual TIF reporting forms until the district is decertified and the fund balance for the district is zero. If the district was decertified in 2006 but had outstanding obligations that were not paid until 2008, the authority would be required to complete 2006, 2007, and 2008 reporting forms. Excess increment is then returned to the county auditor for redistribution.

4. Avoiding Pitfalls – Employee Timekeeping Procedures

Some local units of government have run into problems with employee timekeeping and payroll procedures. To avoid this potential pitfall, we encourage government entities to design and implement a system of internal controls to ensure that timekeeping and payroll methods are accurate and reliable.

A good internal control policy should include the following:

- Reports of hours worked, not just reports of hours absent
- Employee and supervisor verification of hours worked
- Education procedures to help users protect their personal information
- Affirmation of carry-forward amounts for vacation and sick leave
- A hold back period to allow for the review and approval of timekeeping documents

For more information on our recommendations, see our Statement of Position on “Employee Timekeeping Procedures 2007-1004” at the following link:

http://www.auditor.state.mn.us/other/Statements/employeetimekeepingproc_0703_statement.pdf.

5. Pension Update – Survivor Benefits

The Pension Division has received several inquiries regarding survivor benefits and authorized beneficiaries. State law allows for the payment of survivor benefits to surviving spouses and surviving children, or if none, to designated beneficiaries. If there are survivors but no designated beneficiary, relief associations are authorized to pay a death benefit to the estate of the deceased active firefighter. This means that if a relief association pays a survivor benefit, the relief association cannot recognize a designated beneficiary if that person is different from the member’s surviving spouse or surviving children. If you have questions, please contact Pension Director Rose Hennessy Allen at (651) 296-5985 or Rose.Hennessy-Allen@state.mn.us.