



State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

August 22, 2008

*The official online
news publication of the
Office of the State Auditor*

1. Pension Update: Defined Contribution Plan Sub-Group
2. Revised: Statement of Position
3. Avoiding Pitfalls: Schools -- Cash Receipts

1. Pension Update: Defined Contribution Plan Sub-Group

The Volunteer Fire Relief Association Defined Contribution Plan Sub-Group held its third meeting on Tuesday, August 19. The sub-group continued discussions on military service credit, investment return allocations, deferred interest, plan consolidations, and administrative expense deductions. Meeting materials are available on our website at: <http://www.auditor.state.mn.us/default.aspx?page=reliefworkinggroup>.

The sub-group decided to hold a final meeting to review draft legislation on Thursday, September 18 from 11:00 a.m. to 1:00 p.m. at our Saint Paul office. If you have questions regarding the sub-group topics, please contact Rose Hennessy Allen at (651) 296-5985 or Rose.Hennessy-Allen@state.mn.us.

2. Revised: Statement of Position

The Office of the State Auditor has revised a Statement of Position on Contract Change-Orders and Contractor's Bonds to reflect a change in the law.

Because of changes in the bid threshold, the threshold for performance bonds is now uniform for cities and other local units of government. To view the revised Statement of Position, go to:

http://www.auditor.state.mn.us/other/statements/contractorsbonds_0808_statement.pdf.

3. Avoiding Pitfalls: Schools -- Cash Receipts

Another school year is beginning, and it's a good time for schools to review some basic internal control procedures for payments received from students, parents, and members of the community. Here are some basics worth following:

- Provide a sequentially-numbered receipt to the person turning in the payment. If a teacher/coach collects the payments, the teacher/coach should be provided with a receipt when the funds are turned into the main office for deposit. The teacher/coach should maintain a list of the individual payments received, including whether the payments were cash or checks (and the check number).
- Indicate on the receipts whether the payment was in the form of cash or check (and indicate the check number).
- Use numbered tickets for events and document the starting and ending numbers of the tickets sold at the event. Have someone other than the ticket seller reconcile the number of tickets sold to the money collected.
- Segregate duties so the person preparing the deposit slip is not the person collecting the money. Have someone other than the person preparing the deposit slip verify that the description of the deposit on the supporting receipts agrees with the funds actually being deposited (e.g., cash vs. check amounts on the receipts match the deposit; the receipted checks are the checks actually being deposited).

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