



State Auditor
Rebecca Otto

OFFICE OF THE STATE AUDITOR

E-Update

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1. Updates: Working Group & Fire/Police State Aid

Volunteer Fire Relief Association Working Group

The 2009-2010 Working Group held its third meeting in St. Paul on Tuesday, October 6. The Group continued discussions on three proposals related to changing municipal contribution calculations and payments: to extend the deficit amortization period for defined benefit plans, to extend the time period by which required contributions must be paid to the relief association, and to use an averaging of investment returns to smooth the required contribution amount. The Working Group will revisit the proposals once additional information is obtained from municipalities with funding concerns.

In addition, discussion continued on clarification items related to the recently-enacted return-to-service law, and the Group agreed to add to its list of topics for consideration the issue of payment order for survivor benefit payments.

Working Group agendas and meeting materials, including information about the municipal contribution topics, can be found at:

<http://www.auditor.state.mn.us/default.aspx?page=reliefworkinggroup>.

Fire/Police State Aid

The 2009 fire and police state aid lists were recently released, and our office has received questions about decreases in 2009 fire state aid from the 2008 amount.

The decrease is due in part to fewer taxes collected on insurance premiums and in part to prior year adjustments. The Department of Revenue conducted research and determined that insurance companies have in the past overstated the amount of insurance premiums that actually dealt with fire insurance. Representatives within the Department of Revenue met several years ago to determine how to best adjust for the past reporting errors and decided to make reductions to the 2007, 2008, and 2009 fire state aid amounts. For further information, contact the Department of Revenue at (651) 556-6096.

The 2009 fire and police state aid lists can be viewed at:

<http://www.auditor.state.mn.us/list.aspx?type=frm&div=pen>.

2. Revised: Statement of Position

The Statement of Position entitled City Bidding and Contract Requirements has been revised to clarify the steps to be followed in order to use a website or trade journal instead of a newspaper to publish solicitations of bids, requests for information and requests for proposals. To view the complete statement, go to:

http://www.auditor.state.mn.us/other/Statements/citybidcontractreq_0703_statement.pdf.

3. Deadline: Forfeiture Reporting Forms

October 20th is the deadline for law enforcement agencies to file the September report of disposition of property seized subject to forfeiture. DWI forfeitures do not need to be included in the reports. The forms can be found at:

<http://www.auditor.state.mn.us/default.aspx?page=20031119.001>.

4. Avoiding Pitfalls: Pay and Benefits Documentation

Accurate documentation of employee pay and benefits is essential.

A well-written employment contract can often prevent issues from arising in employment situations. Where a written contract is not used, it is especially important for governing bodies to accurately record pay and benefit decisions in the meeting minutes. This is true both for decisions about individual employees and for decisions about employee benefits generally. If pay and benefit decisions are not accurately documented, needless disputes may arise over pay raises, employer contributions to health insurance payments, accrual of leave time, and other payroll matters.

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The Office of the State Auditor is located at 525 Park Street, Suite 500, St. Paul, MN 55103. Phone: (651) 296-2551 or (800) 627-3529 (TTY) Fax: (651) 296-4755

Web: www.auditor.state.mn.us.