



State Auditor  
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## OFFICE OF THE STATE AUDITOR

# *E-Update*

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

January 22, 2010

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### **1. Deadline: Reporting Forms Due**

January 31<sup>st</sup> is the deadline for submitting City and County Summary Budget Forms and Local Government Lobbying Costs Forms to the Office of the State Auditor. The forms can be accessed through the State Auditor Form Entry System (SAFES), which can be found at:

<https://www.auditor.state.mn.us/safes/>.

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### **2. Tip: CTAS Error Message**

When posting claims into CTAS Version 7.0, some users have seen "Error number 94 – Invalid use of null" appear on their screens. This message indicates there has been a claim entered, but the Description field has been left blank.

To correct the error, enter an explanation of the claim in the Description field. The claim will then post to the program. If you have any questions about the CTAS system, e-mail our office at [ctas@auditor.state.mn.us](mailto:ctas@auditor.state.mn.us).

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### **3. Update: Fire Relief Working Group**

The 2009-2010 Volunteer Fire Relief Association Working Group held its final meeting on Tuesday, January 12. Working Group members reviewed and adopted draft legislation for each of the topics that had received consensus in previous meetings.

The Group also continued its discussion on survivor benefits. Group members agreed on seven changes that address a variety of survivor benefit issues, including a reorganization of the statute, a slight modification to the order of eligibility for benefit payments, greater flexibility for paying benefits to designated beneficiaries, and allowing an association's bylaws to limit the duration of payments for monthly plans that pay the benefits for an extended period of time.

All of the Working Group's recommendations will be forwarded to the Legislative Commission on Pensions and Retirement. We will continue to keep you updated as the Working Group bill makes its way through the legislative process.

Working Group meeting materials are available on the Office of the State Auditor's website at:

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

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#### **4. 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. Because these are cash funds (that is, currency in the form of coins and bills), they are susceptible to loss. As a result, extra security precautions should be taken to safeguard these funds.

Each petty cash fund must be established by an entity's governing body, and a "custodian" of the fund must be appointed. Meeting minutes should document the creation and amount of any petty cash fund. The governing body should periodically review these funds to determine whether they are still necessary.

Petty cash funds are not separate checking accounts. Rather, by law, these funds are cash (currency). They are allowed for the payment of claims if "it is impractical" to pay the claims in any other manner. The statutes prohibit the funds' use for salaries or personal expenses of an officer or employee. Counties and school districts have additional statutory authority to use a petty cash fund for certain travel advances.

A claim itemizing all disbursements from a petty cash fund must be presented to the governing body at its next meeting. If the governing body approves the claim, the fund's custodian should be given payment to replenish the fund. If the governing body fails to approve the claim in full, the fund's custodian is personally responsible for the difference. The laws governing petty cash (imprest) funds are [Minn. Stat. §§ 123B.11](#) (for school districts), [366.01, subd. 12](#) (towns), [375.162](#) (counties), and [412.271, subd. 5](#) (cities).

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