

## OFFICE OF THE STATE AUDITOR *E-Update*

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1. Deadline: Forfeiture Reporting Form

2. Revised: Pension Broker Certification Form

3. Avoiding Pitfalls: Filing Extension -- IRS e-Postcard for Nonprofits

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## 1. Deadline: Forfeiture Reporting Form

August 20th is the deadline for law enforcement agencies to report the final disposition of property seized subject to forfeiture for the month of July. 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.

## 2. Revised: Pension Broker Certification Form

The uniform Broker Certification (BC-1) Form has been revised to clarify the security broker insurance coverage certification. Volunteer fire relief associations and other public pension plans using the services of a broker must complete a BC-1 Form.

The BC-1 Form must be completed before a public pension plan (including relief associations) may enter into a business arrangement with a broker and must be completed annually thereafter. A copy of each completed form should be submitted to the Office of the State Auditor with the pension plan's annual reporting forms. For purposes of this reporting requirement, a "broker" means a broker, broker-dealer, investment advisor, investment manager, or third-party agent who transfers, purchases, sells, or obtains investment securities for, or on behalf of, a covered pension plan.

If any portion of the pension plan's assets are held by a security broker or its agent, the broker or agent must acknowledge in writing annually that sufficient insurance has been obtained from the Securities Investor Protection Corporation, supplemented by additional insurance (if necessary), to cover the full amount of the pension plan's assets held by the security broker or its agent.

The revised BC-1 Form is available on our website at:

<u>http://www.auditor.state.mn.us/forms/pen/ReportingForms/pensionrf\_brokercert\_volunte</u> er.pdf.

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## 3. Avoiding Pitfalls: Filing Extension -- IRS e-Postcard for Nonprofits

Small tax-exempt organizations whose annual gross receipts are normally \$25,000 or less may be required to electronically submit Form 990-N (e-Postcard) to the IRS (unless they choose to file a complete Form 990 or Form 990-EZ). Such organizations with a calendar tax year must annually file the e-Postcard by May 15 for the preceding year.

Tax-exempt organizations that fail to satisfy annual filing requirements for three consecutive years automatically lose their tax-exempt status. On July 26, 2010, however, the IRS announced that small nonprofit organizations at risk of losing their tax-exempt status because they failed to file required returns for 2007, 2008 and 2009 can preserve their status by filing returns by Oct. 15, 2010 under a one-time relief program.

For additional information on this one-time filing extension, and a list of organizations at risk, visit the IRS website at:

http://www.irs.gov/charities/article/0,,id=225702,00.html.

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