



State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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1. Deadline: TIF Annual Reporting Form
2. Tip: Pension Maximum Benefit Calculations
3. Avoiding Pitfalls: Cash Drawer Accountability

1. Deadline: TIF Annual Reporting Form

The 2010 Annual Reporting Form is due on August 1, 2011. For more information on the Tax Increment Financing Annual Reporting Form, go to:

http://www.auditor.state.mn.us/forms/tif/TIFAnnualReportingForm_Instructions.pdf.

2. Tip: Pension Maximum Benefit Calculations

In last week's E-Update we provided a reminder to volunteer fire relief associations that their annual maximum benefit calculations must be completed on or before August 1. Some relief associations are finding that their maximum benefit level fell for 2011, and the relief associations may now be operating at a benefit level that is higher than the allowable maximum. There is authority for relief associations to continue operating at a benefit level higher than the allowable maximum if the benefit level was properly adopted and was within the allowable maximum when it was established, and if the decrease to the calculated maximum was due to either a decrease in state fire aid or an increase in the number of active members during the three-year period on which the calculation is based. Most relief associations have seen a decrease in state fire aid during the past three years, so will qualify to be "grandfathered in" and be allowed to continue operating at their current benefit level as long as it was within the maximum when established. Relief associations that qualify to be grandfathered in at their current benefit level cannot increase their benefit level until the annual calculation shows that an increase is allowed.

Additional information about maximum benefit levels and maximum benefit calculations is available in our Statement of Position on this topic, which can be viewed at:

<http://www.auditor.state.mn.us/default.aspx?page=20110531.003>.

3. Avoiding Pitfalls: Cash Drawer Accountability

Whenever possible, one employee should be responsible for a cash drawer. For example, at most retail establishments, employees remove their drawers at the end of their shifts and the next employee brings their own drawer. This procedure makes it clear which employee is responsible for the cash in each cash drawer. When two or more employees place cash into the same cash drawer, this simple internal control is corrupted.

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