



State Auditor  
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## OFFICE OF THE STATE AUDITOR

# *E-Update*

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publication of the Office  
of the State Auditor*

1. Released: New Bylaw Guides
2. Website: Statements of Position
3. Avoiding Pitfalls: Schools - Cash Receipts

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### **1. Released: New Bylaw Guides**

The Office of the State Auditor has released new Bylaw Guides with sample bylaws for use by defined contribution volunteer fire relief associations. Different versions of the Guides are provided for defined contribution relief associations affiliated with city fire departments and for associations affiliated with town fire departments, joint-powers fire departments, and independent nonprofit firefighting corporations.

The bylaw provisions within the Guides are intended to assist relief associations in meeting minimum statutory requirements and provide the framework for developing custom bylaws. The Guides are available for downloading in both MS Word and Adobe PDF formats.

To view the Sample Bylaw Guides, please go to:

<http://www.auditor.state.mn.us/default.aspx?page=20120208.000>.

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### **2. Website: Statements of Position**

The Office of the State Auditor website provides access to a variety of Statements of Position. The Statements cover topics including Pensions, Tax Increment Financing, Contracting, Internal Controls, Municipal Liquor Stores, and Deposits and Investments. They are updated regularly to reflect changes in the law. Please visit our Statements of Position page at:

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

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### **3. Avoiding Pitfalls: Schools - Cash Receipts**

The school year will begin soon, so 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 pre-numbered receipt to the person turning in the payment. If a teacher/coach collects the payments, the teacher/coach should use a pre-numbered receipt book. At a minimum, the teacher/coach should maintain a list of the individual payments received, including whether the payments were cash or checks (and the check number). The teacher/coach should be provided with a receipt when the funds are turned into the main office for deposit.
- Indicate on the receipts whether the payment was in the form of cash or check and, for checks, indicate the check number.
- Use pre-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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