



State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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1. Available: 2013 Tax Tables

The 2013 Tax Tables for the Small City and Town Accounting System (CTAS) are now available. To view and download the tax tables, please go to:

http://www.auditor.state.mn.us/other/ctas/docs/ctas_13_taxtables.pdf.

2. Alert: FDIC Coverage for Non-Interest-Bearing Transaction Accounts

Non-interest-bearing transaction accounts lost their unlimited FDIC deposit insurance on January 1, 2013. Prior to January 1, 2013, government depositors received unlimited FDIC coverage for amounts held in non-interest-bearing transaction accounts. However, this coverage expired on December 31, 2012.

As a result, government depositors receive \$250,000 FDIC coverage for their demand accounts and a separate \$250,000 FDIC coverage for their time/savings accounts if the bank is located in the same state as the government entity. If the depository bank is located in a different state, there is just one \$250,000 coverage available for all demand and time/savings accounts combined.

After December 31, 2012, amounts held in non-interest-bearing transaction accounts will be added to amounts in other demand accounts and insured up to the \$250,000 limit. To the extent that these funds exceed this insurance limit for demand accounts, they will need to be collateralized or bonded as provided by state law.

If your bank deposits included amounts in non-interest-bearing transaction accounts prior to January 1, 2013, be sure to check with your depository bank to make sure all of your funds on deposit are currently protected by either deposit insurance, a surety bond or pledged collateral.

If you have any questions, please contact David Kenney, Assistant Legal Counsel in the Office of the State Auditor, at 651-297-3671.

3. Meeting: Council on Local Results and Innovation

The next meeting of the Council on Local Results and Innovation will be held on Thursday, January 10 at 1:00 p.m. in the League of Minnesota Cities building, 145 University Avenue West, St. Paul. Council meetings are open to the public. To access meeting materials, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20121210.000>.

4. Reminder: SAFES User Authorization Form

Access to the State Auditor's Form Entry System (SAFES) for many accountants, auditors, and other consultants who work with volunteer fire relief associations expired at the end of the 2012 calendar year. SAFES access allows an authorized individual to download, submit, and electronically-sign relief association reporting forms.

Relief associations should renew SAFES access for their accountants, auditors, and consultants by completing the SAFES User Authorization Form that is available for download at:

https://www.auditor.state.mn.us/Forms/SAFESAuthorization_12.pdf.

Completed forms can be submitted to the Pension Division by e-mail at pension@osa.state.mn.us or by fax at (651) 282-5298.

5. Avoiding Pitfalls: Local Government Compensation Limit

Minnesota law sets a compensation limit for local government employees. The limit is adjusted each year based on the Consumer Price Index. For recent years:

- Effective January 1, 2009, the limit was \$150,065.
- Effective January 1, 2010, the limit remained at \$150,065.
- Effective January 1, 2011, the limit was \$151,866.
- Effective January 1, 2012, the limit was \$157,181.
- Effective January 1, 2013, the new limit is \$160,639.

The compensation limit applies to cities, counties, towns, and metropolitan or regional agencies, but not to school districts. Hospitals, clinics, and health maintenance organizations owned by governmental units are also not subject to the limit.

Detailed information on the compensation limit is available on the Minnesota Management & Budget website at <http://www.mmb.state.mn.us/comp-salarycap-waiver>.

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