



State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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1. Deadline: Forfeiture Reporting
2. Reminder: Relief Association Reporting Forms
3. Avoiding Pitfalls: Cashing Personal or Third-Party Checks

1. Deadline: Forfeiture Reporting

June 20th is the deadline for law enforcement agencies to report final disposition of property seized subject to forfeiture for the month of May. To report final disposition of forfeitures, please go to:

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

2. Reminder: Relief Association Reporting Forms

The 2012 reporting-year forms for volunteer fire relief associations with assets or liabilities of at least \$200,000 are due by June 30, 2013. Reporting forms for relief associations with assets and liabilities of less than \$200,000 were due by March 31.

Relief associations with the June 30 reporting deadline are required to submit audited financial statements in addition to the reporting forms. Once a relief association's assets or liabilities exceed the \$200,000 statutory threshold, the relief association maintains the June 30 reporting deadline and audit requirement even if the association's assets and liabilities subsequently drop below the threshold.

The 2012 reporting-year forms can be accessed through the State Auditor's Form Entry System at:

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

3. Avoiding Pitfalls: Cashing Personal or Third-Party Checks

Some government entities cash personal or third-party checks from employees or the public. We recommend that government entities prohibit this practice. Government entities should not function as banks for their employees or for third parties. Cashing personal or third-party checks increases the entity's risk of losses due to insufficient funds.

In addition, it increases an entity's exposure to fraud. All funds collected by the entity should be deposited exactly as collected. The composition of the funds to be deposited, in terms of the amount of cash and checks, should reflect the actual receipts. Reviewing the deposit's composition is one way to prevent and detect thefts involving "lapping" -- an employee taking cash before it is deposited and replacing it with a check that should be in a different deposit. Allowing an employee to cash a personal or third-party check with funds that should be deposited defeats that safeguard.

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