



State Auditor
Rebecca Otto

OFFICE OF THE STATE AUDITOR

E-Update

*The official online news
publication of the Office
of the State Auditor*

May 29, 2015

1. Deadline: TIF Enforcement Deduction Report
2. Update: Fire Relief Association Working Group Bill
3. Released: Pension Newsletter
4. Avoiding Pitfalls: Petty Cash (Imprest) Funds - Part I

1. Deadline: TIF Enforcement Deduction Report

The deadline for counties to report the deduction for TIF enforcement made for the period from May 1, 2014 to April 30, 2015 is Friday, June 5. The reporting form can be accessed at:

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

2. Update: Fire Relief Association Working Group Bill

The 2015 Omnibus Retirement Bill, which included legislation proposed by the Volunteer Fire Relief Association Working Group, was signed into law by Governor Dayton on May 22. The OSA Pension Division will issue a legislative update this summer with an in-depth explanation of the law changes affecting volunteer fire relief associations. The OSA Sample Bylaw Guides will also be updated to reflect the legislative changes.

The Bill's final language can be viewed at:

<https://www.revisor.mn.gov/laws/?year=2015&type=0&doctype=Chapter&id=68>.

The Working Group changes are located in Article 9.

3. Released: Pension Newsletter

The May **Pension Newsletter** has been released. The Newsletter contains information about paying for an actuarial valuation performed to obtain data needed to implement the new

Governmental Accounting Standards Board Statements No. 67 and 68. The Newsletter also provides resources for auditors working with volunteer fire relief associations and information on how to electronically submit audit reports.

The complete Newsletter can be viewed at:

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

4. Avoiding Pitfalls: Petty Cash (Imprest) Funds - Part I

Petty cash funds, referred to as “imprest funds” in Minnesota’s statutes, are authorized for school districts, towns, counties, and cities. Due to the fact that these are cash funds (currency in the form of coins and bills), extra security precautions should be taken to safeguard these funds.

Each petty cash fund must be established by an entity's governing body, and a “custodian” of the fund must be appointed. Meeting minutes should document the creation, custodian, and amount of any petty cash fund. The governing body should periodically review these funds to determine whether they are still necessary.

Petty cash funds are not separate checking accounts. Rather, by law, these funds are cash (currency). They are allowed for the payment of any proper claim if “it is impractical” to pay the claim in any other manner. The statutes prohibit the funds' use for salaries or personal expenses of an officer or employee. Counties and school districts have additional statutory authority to use a petty cash fund for certain travel advances.

A claim itemizing all disbursements from a petty cash fund must be presented to the governing body at its next meeting. If the governing body approves the claim, the fund’s custodian should be given payment to replenish the fund. If the governing body fails to approve the claim in full, the fund’s custodian is personally responsible for the difference. The laws governing petty cash (imprest) funds are [Minn. Stat. §§ 123B.11](#) (school districts), [366.01, subd. 12](#) (towns), [375.162](#) (counties), and [412.271, subd. 5](#) (cities).

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The Office of the State Auditor is located at 525 Park Street, Suite 500, St. Paul, MN 55103.
Phone: (651) 296-2551 or (800) 627-3529 (TTY) Fax: (651) 296-4755.
Web: www.auditor.state.mn.us.