



State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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1. Released: Large Public Pension Plan Investment Report
2. Available: Annual TIF Reporting Forms
3. Avoiding Pitfalls: Meeting Meals for Board or Council Members

1. Released: Large Public Pension Plan Investment Report

The State Auditor released the Large Public Pension Plan Investment Report for the year ended December 31, 2014. The report contains in-depth analysis of rate of return, asset allocation, and benchmark comparison information. The report also provides information and graphic representation of funding ratios, unfunded liabilities, net assets, and administrative expenses.

To view the complete report, which includes an Executive Summary, tables, and graphs, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20160511.001>.

2. Available: Annual TIF Reporting Forms

The 2015 Tax Increment Financing (TIF) Annual Reporting Form is now available. The Annual TIF Reporting Form and the Pooled Debt Form (if applicable) are to be submitted electronically to the OSA on or before August 1, 2016. The Forms can be found at:

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

Links to instructions for completing the forms and sample forms can be found at:

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

3. Avoiding Pitfalls: Meeting Meals for Board or Council Members

Members of the governing body and staff sometimes patronize restaurants either before or after board/council meetings. If the public entity pays for the meals, at least three separate compliance issues are raised:

- There are potential Open Meeting Law issues whenever a quorum of a board/council gets together. The meeting would not be open to the public, and any discussion of matters relating to the public entity may result in an Open Meeting Law violation.
- If matters relating to the public entity are not discussed during the meals, the meals should not be reimbursed because the meal expenses are not a necessary expense and do not serve a public purpose.
- The meals may be taxable income because the board/council members and staff are not in travel status.

Whether a meal is necessary for a meeting depends upon the necessity for holding a particular meeting during mealtime rather than at some other time, and upon the benefits derived from providing food during the meeting. If a board/council meeting must be held during mealtime, we recommend that food be provided to the board/council members and staff on site, avoiding Open Meeting Law, expense reimbursement, and tax issues.

For more information on the tax issues specifically, please see IRS Publication 463 (pages 5-6) at <http://www.irs.gov/pub/irs-pdf/p463.pdf>, and IRS Publication 15 (Circular E) Employer's Tax Guide (pages 12-13) at <http://www.irs.gov/pub/irs-pdf/p15.pdf>.

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