



**State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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1. Released: Statewide Single Audit
2. Released: Volunteer Fire Relief Association Reporting Forms
3. Avoiding Pitfalls: Payroll-Related Tax Issues

1. Released: Statewide Single Audit

The Office of the State Auditor has released the report on Federally Assisted Programs of Subrecipients of the State of Minnesota, also known as the Statewide Single Audit, for the year ended June 30, 2016.

The report contains information on agencies that received federal funds from the State of Minnesota and provides information about subrecipients' compliance with federal award programs. The report can be found at:

<http://www.auditor.state.mn.us/default.aspx?page=20170216.000>.

2. Released: Volunteer Fire Relief Association Reporting Forms

The 2016 Financial and Investment Reporting Entry (FIRE-16) Form and 2017 Schedule (SC-17) Form for volunteer fire relief associations are now available for completion. Reporting forms can be accessed through the State Auditor's Form Entry System (SAFES) at:

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

Relief associations with assets and liabilities of less than \$500,000 must submit 2016 reporting forms and an agreed-upon procedures report by March 31. The Agreed-Upon Procedures Guide and a Sample Independent Accountant's Report are available on the OSA website at:

<http://www.auditor.state.mn.us/default.aspx?page=20151209.000>.

Relief associations with assets or liabilities of at least \$500,000 must submit 2016 reporting forms and an audit report by June 30.

An informational document that provides detailed instructions for accessing the forms, submitting the forms, and electronically signing them is available on the OSA website at:

https://www.auditor.state.mn.us/forms/pen/ReportingForms/pensionrf_infoandhelpfulhints.pdf.

3. Avoiding Pitfalls: Payroll-Related Tax Issues

Government entities face multiple payroll-related tax issues, such as:

- Is an individual an independent contractor or an employee?
- Are severance payments, if permitted, taxed?
- Do we need to issue W-2 forms for elected officials?
- Is an employee's clothing allowance taxable income?

The Office of Federal, State and Local Governments of the IRS ("FSLG") provides information and guidance to government entities on federal tax issues. If a government entity is audited by the IRS and found to be in noncompliance, fines and penalties are possible, and the government entity or its employees could be subject to back taxes.

For more information about FSLG and to access informational materials, please go to the IRS website at:

<http://www.irs.gov/govt/fslg>.

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