



State Auditor  
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## OFFICE OF THE STATE AUDITOR

# *E-Update*

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**February 24, 2017**

1. Deadline: County Outstanding Indebtedness Reporting Form
2. Reminder: Investment Business Recipient Disclosure Form
3. Avoiding Pitfalls: Monitoring Risks with Certificates of Deposit

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### **1. Deadline: County Outstanding Indebtedness Reporting Form**

The County Outstanding Indebtedness Reporting Form is due March 1st. The form can be found on the OSA website at:

<http://www.auditor.state.mn.us/default.aspx?page=20030101.047>.

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### **2. Reminder: Investment Business Recipient Disclosure Form**

The chief administrative officer of a volunteer fire relief association must annually complete an Investment Business Recipient Disclosure Form. The Form must be filed with the Executive Director of the Legislative Commission on Pensions and Retirement within 90 days after the close of the relief association's fiscal year. For volunteer fire relief associations, the Form is due to the Legislative Commission on Pensions and Retirement by March 31.

The purpose of the Form is for relief associations to list all the recipients of investment business with respect to investments made by the plan. The Form can be accessed on the Pension Forms page of the OSA website under the Current Forms heading at:

<http://www.osa.state.mn.us/default.aspx?page=20070105.001>.

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### **3. Avoiding Pitfalls: Monitoring Risks with Certificates of Deposit**

Government entities are permitted to invest in Certificates of Deposit (CDs) that are "fully insured" by the Federal Deposit Insurance Corporation (FDIC). Each depositor has up to \$250,000 of FDIC coverage at any individual bank, so most government entities purchase CDs in amounts just less than the FDIC limit.

Often, government entities will use brokers, banks and certificate-of-deposit placement services to purchase CDs. Therefore, a government entity must set up a system to monitor all CDs purchased on its behalf to ensure they do not exceed the FDIC limit at any given bank. Purchasing multiple CDs that exceed the FDIC limit from a bank that fails will result in losses to the government entity.

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