



State Auditor
Rebecca Otto

OFFICE OF THE STATE AUDITOR

E-Update

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January 29, 2010

1. Released: Pension Newsletter & TIF Newsletter
 2. Deadline: Summary Budget & Lobbying Reporting Forms Due
 3. Avoiding Pitfalls: Petty Cash (Imprest) Funds - Part II
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1. Released: Pension Newsletter & TIF Newsletter

Pension Newsletter

The January **Pension Newsletter** has been released. It provides an update on the Volunteer Fire Relief Association Working Group, information about service pension rollovers and safe harbor notices, reminders about Broker Certification and Supplemental Benefit Reimbursement forms, and information about fundraising activities. The Newsletter can be viewed at:

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

TIF Newsletter

The January **TIF Newsletter** has been released. The newsletter answers questions the Office of the State Auditor has received regarding TIF plans. To view the complete newsletter, go to:

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

2. Deadline: Summary Budget & Lobbying Reporting Forms Due

January 31st is the deadline for submitting the City and County Summary Budget Forms and the Local Government Lobbying Costs Forms to the Office of the State Auditor. The forms are available through the State Auditor Form Entry System (SAFES), which can be accessed at:

3. Avoiding Pitfalls: Petty Cash (Imprest) Funds - Part II

The Petty Cash (Imprest Funds) Part I Avoiding Pitfalls discussed the establishment of petty cash (imprest) funds. Part II of this series of Avoiding Pitfalls provides information on making withdrawals from these funds.

There are two possible methods of withdrawing petty cash funds: the reimbursement method and the advance method. When using the reimbursement method, an individual purchases an authorized item with personal funds, provides the original detailed vendor receipt to the petty cash fund's custodian, and is then reimbursed from the petty cash fund. This method is less complicated than the advance method. There is no risk of loss of petty cash funds due to the purchaser failing to buy the item and/or to submit supporting documentation for the purchase. It also allows the petty cash fund to be replenished more quickly than with the advance method. For these reasons, the reimbursement method is generally preferred.

The advance method consists of the petty cash fund's custodian advancing petty cash funds to an individual for the purchase of a specific item. The custodian should document the date and person to whom the funds were provided, the amount provided, and the purpose for the advance. The individual receiving the advance then purchases the authorized item, returning the original detailed vendor receipt and any remaining change to the petty cash custodian. Under the advance method, the custodian may need to follow up if the individual does not return the receipt and change in a timely manner.

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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.