1. Message from Auditor Blaha

Over the last few weeks, our office has received questions surrounding CARES Act funding. We have been connecting with Minnesota Management and Budget (MMB); the National Association of State Auditors, Comptrollers, and Treasurers (NASACT); private CPA firms; and the United States Treasury to work on answers to your questions.

Your first source of information is the distributor of the funds, in this case, MMB. If you haven't already, be sure to bookmark this page: https://mn.gov/mmb/covid-19-response-accountability-office/local-governments/. The Office of the State Auditor is also a resource so don’t hesitate to reach out: https://www.auditor.state.mn.us/default.aspx?page=contact.

And remember: document, document, document! Maintaining accurate and thorough records is key. Together, we will help our neighbors through tough times in a way that maintains their trust.

As always, we appreciate your work and ask you to stay safe by wearing a mask and social distancing anytime you are out in public.

2. Pension: Maximum Benefit Levels

Volunteer fire relief associations that offer or pay defined-benefit lump-sum or monthly service pensions must annually calculate the average amount of available financing per active firefighter. The Office of the State Auditor (OSA) provides the Maximum Benefit Worksheet to help relief associations perform this calculation. The calculation determines the maximum lump-sum and monthly benefit levels the relief association is authorized to establish for the year.

A relief association does not have authority to set a benefit level higher than the maximum level, even if the benefit level is ratified by the affiliated municipality. It is very important for relief association trustees and municipal officials to monitor maximum benefit levels. Penalties for paying service pensions using a benefit level higher than the maximum level may include the disqualification from receiving fire state aid.

For additional information regarding maximum benefit levels, see the OSA’s Statement of Position on this topic at: https://www.auditor.state.mn.us/default.aspx?page=20110531.003.
3. Deadline: Publish TIF Annual Disclosure by August 15th

An annual statement containing specific information about each TIF district must be published in a newspaper of general circulation in the municipality no later than August 15th. The information to be published is also reported on the "ADS" Tab of the TIF Annual Reporting Forms that were due on August 3rd. Please do not forget to publish the disclosure in a timely manner.

If you have any questions, please contact us at TIF@osa.state.mn.us.

4. Avoiding Pitfalls: Account Adjustments and Write-offs

Public entities that bill for services such as utilities must sometimes make adjustments to accounts (e.g., to correct an error) and write-offs for accounts (e.g., uncollectible accounts).

We recommend that public entities adopt a written policy that identifies when an employee must obtain authorization (e.g., from a supervisor) for an adjustment to or a write-off for an account. The written policy should also identify the appropriate level of management approval (e.g., a supervisor or the public entity’s governing body) required for proposed adjustments or write-offs. The policy should contain sufficient controls to prevent an employee from unilaterally adjusting or writing off the employee’s own account or the accounts of family members or friends.

This Avoiding Pitfall is available on our website at: https://www.auditor.state.mn.us/default.aspx?page=20090724.002

If you are interested in signing up to receive an e-mail version of the E-Update regularly, send an e-mail with your contact information to signup@osa.state.mn.us.

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