1. Released: Forms 51 and 52

Forms 51 (School Taxes Receivable for the year ending June 30, 2015), and 52 (School Tax Settlement Report for 2015) are now available. The Forms and instructions can be found at:


2. Reminder: Relief Association Reporting Forms

The 2014 reporting-year forms for volunteer fire relief associations with assets and liabilities less than $500,000 were due to the Office of the State Auditor by March 31. Notices of overdue reports were sent by e-mail to relief association trustees and municipal officials this week listing forms that have yet to be received. Your assistance is requested in expediting submission of the overdue reports as late reporting forms may result in a delay in receipt of fire state aid.

Reporting forms for relief associations with assets or liabilities of at least $500,000 are due by June 30. Relief associations with the June 30 reporting deadline are required to submit audited financial statements in addition to the reporting forms.

3. Avoiding Pitfalls: Phantom Vendors

One method of fraud involves payments to fictitious companies for goods never delivered or services never provided. To protect against this, public entities need procedures in place to determine whether new vendors that are added to their accounts payable system are legitimate.
The ability to set up new vendors on the accounts payable system should be limited to those individuals with a logical need for this function. When new vendors are added to the system, the vendors should be reviewed by someone outside the accounts payable system. The outside reviewer should verify that the new vendor is legitimate. Finally, the vendor list should be reviewed periodically, and unused vendors should be removed from the system.

This type of fraud is more likely to occur when a public entity has a large number of vendors. Warning signs of a potential “phantom vendor” include:

- Sequentially-numbered invoices from the vendor;
- Invoice amounts just below the amount needing additional approval for payment; and
- Companies with only P.O. Box addresses, companies lacking taxpayer identification numbers, or vendor identification numbers that match an employee’s social security number.

If you are interested in signing up to receive an e-mail version of the E-Update regularly, click here.

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.