OFFICE OF THE STATE AUDITOR

E-Update

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State Auditor
Rebecca Otto

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1. Announced: TIF Training for Counties

The OSA will offer tax increment financing (TIF) training sessions for county staff at four locations across the state in July. The training is designed to help county staff better understand county TIF roles and responsibilities as well as the basic principles and workings of TIF, its numerous laws and limitations, and TIF reporting requirements.

Sessions are free of charge. Details and registration information are available on the OSA website at:

https://www.auditor.state.mn.us/default.aspx?page=trainingopportunities#TaxIncrementFinancing(TIF)Division.

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2. Pension: Audit Threshold for Relief Associations

Reporting forms for volunteer fire relief associations with assets or liabilities of at least $500,000 are required to be submitted to the OSA by June 30. Relief associations with assets or liabilities above this statutory threshold must also submit an annual audit to the OSA. End-of-year asset and liability amounts, based on Special Fund amounts only, determine whether a relief association has exceeded the statutory threshold.

After a relief association exceeds the threshold in either assets or liabilities, an audit is required beginning with the next reporting year's reports. For example, if a relief association exceeds the threshold during 2017, an audit is first required with the 2018 reports that are submitted to the OSA during 2019. After a relief association exceeds the $500,000 threshold, an audit continues to be required even if the relief association's assets and liabilities subsequently drop below the threshold.

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3. Avoiding Pitfalls: Taxable Employee Expense Reimbursements

If employee expenses are submitted for reimbursement more than 60 days after the expense is incurred, the reimbursement may be taxable and appropriate withholdings would need to be made.

For a detailed explanation of this issue, see IRS Publication 463, "Travel, Entertainment, Gift, and Car Expenses" found on the IRS website at:

http://www.irs.gov/pub/irs-pdf/p463.pdf.

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