



State Auditor  
Julie Blaha

## OFFICE OF THE STATE AUDITOR

# E-Update

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1. Message from Auditor Blaha
2. Released: 2020 City and Town Accounting System (CTAS)
3. TIF: Reporting Out-District Expenditures
4. Reminder: Requirement to Report Evidence of Theft
5. Avoiding Pitfalls: Documentation of Accounting Policies and Procedures

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### 1. Message from Auditor Blaha

This week the Office of the State Auditor (OSA) released the 2020 City and Town Accounting System (CTAS). CTAS was created by the Office of the State Auditor (OSA) in 1990 to help small cities and townships maintain their accounting records and assist in bookkeeping tasks. CTAS is specifically designed for governmental accounting and facilitates the submission of financial records to the OSA. Additionally, the OSA provides a dedicated help line and email specifically for CTAS users to assist with any issues they may have. More information about CTAS 2020 may be found below in section #2.

Today is the 155th Anniversary of Juneteenth, or Freedom Day, and is celebrated by the black community and allies to commemorate the end of slavery. More information about Juneteenth may be found here: <https://www.britannica.com/topic/Juneteenth>. Happy Juneteenth!

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### 2. Released: 2020 City and Town Accounting System (CTAS)

The Office of the State Auditor (OSA) is pleased to announce that CTAS 2020 is available. Each year, the Office of the State Auditor releases a CTAS update based on input from local governments to improve the program and stay current with changes in laws and regulations. This year, CTAS 2020 includes updated Federal and Minnesota tax tables, updated withholding calculations for the new 2020 Form W-4, and the addition of information on paystubs to comply with Minnesota's new wage theft law. CTAS is a great example of state and local governments working together.

If your entity purchased CTAS 8 or CTAS 2019, there is no additional cost to download and use CTAS 2020. To download CTAS 2020, log into SAFES at <https://www.auditor.state.mn.us/safes/> and click on the CTAS tab. Information on CTAS including downloading and installing CTAS 2020 is located on the CTAS webpage at: <https://www.auditor.state.mn.us/default.aspx?page=ctas>

If your entity would like to purchase CTAS 2020, please use the CTAS Order Form located on our website at: [https://www.auditor.state.mn.us/other/ctas/docs/CTAS\\_Order\\_Form.pdf](https://www.auditor.state.mn.us/other/ctas/docs/CTAS_Order_Form.pdf)

### **3. TIF: Reporting Out-District Expenditures**

The TIF Act requires that authorities annually report the amount of any payments for activities and improvements located outside the district that are paid for or financed with tax increment. This includes activities both physically located outside of the TIF district, as well as costs defined as out-district costs under the pooling limitations. For example, authority administrative costs are defined as out-district costs. The Office of the State Auditor (OSA) has included a line item on the Project Costs tab of the annual reporting forms where these costs should be reported.

If you become aware that you have made an error in reporting these costs on your 2019 reporting forms and need to file an amended form, please contact our office so we can allow for the re-submission via the State Auditor Form Entry System (SAFES).

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### **4. Reminder: Requirement to Report Evidence of Theft**

Public pension plan trustees and employees, including trustees and employees of volunteer fire relief associations, are required to promptly report in writing to the Office of the State Auditor (OSA) and local law enforcement evidence of theft or misuse of public funds. The written report to the OSA must include a detailed description of the alleged incident or incidents.

In addition, whenever a public accountant discovers evidence pointing to nonfeasance, misfeasance, or malfeasance on the part of a relief association trustee or employee during the course of auditing the books and affairs of the relief association, the public accountant must promptly make a report of such discovery to the OSA and the county attorney.

Information on how to report financial concerns to the OSA, and a form for reporting, may be found here: <http://www.auditor.state.mn.us/default.aspx?page=reportingfinancialconcerns>

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### **5. Avoiding Pitfalls: Documentation of Accounting Policies and Procedures**

All local units of government should document their accounting policies and procedures. This documentation is traditionally maintained in a written policy statement or manual which spells out the accounting policies and procedures that make up the entity's internal control system. The detail and complexity of the documentation will depend on the size of the entity.

This Avoiding Pitfall is available on our website at:

<https://www.auditor.state.mn.us/default.aspx?page=20090724.001>

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The Office of the State Auditor is located at **525 Park Street, Suite 500, Saint Paul, MN 55103.**

**Phone:** 651-296-2551 or 800-627-3529 (TTY) | **Fax:** 651-296-4755

**Web:** <https://www.auditor.state.mn.us>