



OFFICE OF THE STATE AUDITOR

E-Update

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1. TIF: Administrative Expenses Must Be Documented
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3. Update: Fire Relief Association Working Group Bill
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1. TIF: Administrative Expenses Must Be Documented

Administrative expenses are defined in the TIF Act. An authority must document and keep a record of administrative expenses if the costs are to be paid or reimbursed with tax increment revenues. Administrative expenses are subject to a percentage limitation but an authority cannot simply retain ten percent of all tax increment revenues received for administrative expenses.

For more information regarding administrative expenses, please see the OSA's Statement of Position entitled [TIF Administrative Expenses](#).

2. Reminder: GAAP Basis Cities and Towns 2018 Reporting

GAAP Basis Cities and Towns should complete and submit their 2018 Annual Financial Reporting Form and Audit by July 1, 2019. The Reporting Form and Audit should be submitted through SAFES at:

<https://www.auditor.state.mn.us/SAFES>

3. Update: Fire Relief Association Working Group Bill

The 2019 Pension and Retirement Bill, which includes legislation proposed by the Volunteer Fire Relief Association Working Group, was signed into law by Governor Walz on May 30.

Substantive changes include provisions allowing defined-benefit relief associations to offer full vesting after members complete ten years of service, and expanding eligibility for supplemental benefits to designated beneficiaries and estates. The Office of the State Auditor's Pension Division will issue a legislative update this summer with an in-depth explanation of the law changes affecting relief associations.

The Bill's final language can be viewed at:

<https://www.revisor.mn.gov/laws/2019/1/Session+Law/Chapter/8/>

The Working Group changes are located in Article 4.

4. Avoiding Pitfalls: Local Government Compensation Limit

Minnesota law sets a compensation limit for local government employees. The limit is adjusted each year based on the Consumer Price Index.

To learn more about local government compensation limits, please visit:

<https://www.auditor.state.mn.us/default.aspx?page=20090724.008>

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